

Summary Budget Fiscal Year 2017

435 Ryman Street, Missoula, MT 58902 | (406) 552-6110



Autumn in Missoula -Photo courtesy of Missoula Parks & Recreation

Prepared by the City of Missoula Finance Department



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Missoula
Montana**

For the Fiscal Year Beginning

July 1, 2015

Executive Director

Elected Officials

Mayor, John Engen

Municipal Court Judge, Kathleen Jenks

City Council

Ward One

Term Expires First Monday In:

Bryan von Lossberg 2018
Heidi West 2020

Ward Four

Term Expires First Monday In:

Jon Wilkins 2018
John DiBari 2020

Ward Two

Term Expires First Monday In:

Jordan Hess 2018
Harlan Wells 2020

Ward Five:

Term Expires First Monday In:

Annelise Hedahl 2018
Julie Armstrong 2020

Ward Three

Term Expires First Monday In:

Emily Bentley 2018
Gwen Jones 2020

Ward Six

Term Expires First Monday In:

Marilyn Marler 2018
Michelle Cares 2020

Administrative Officials

Dale Bickell—Chief Administrative Officer

Steve Johnson—Central Services Director

Jim Nugent—City Attorney

Mike Brady—Police Chief

Jason Diehl—Fire Chief

Leigh Griffing—Finance Director

Mike Haynes—Development Services Director

Ellen Buchanan—Director Redevelopment, Housing & Economic Development

Carl Horton—Information Technologies Director

Donna Gaukler—Parks and Recreation Director

Rod Austin—Missoula Parking Commission Director

Ron Regan—Cemetery Director

Martha Rehbein—City Clerk

Don Verrue—Certified Building Official

Brian Hensel—Street Division Superintendent

Starr Sullivan—Wastewater Treatment Division Superintendent

Ellen Leahy—City/County Health Department Director

Honore Bray—City/County Library Director

Laurie Pfau—Human Resources Director

John Wilson—Public Works Director

Eran Pehan—Housing and Community Development Director

Scot Colwell—Vehicle Fleet Manager

Matt Lawson—Facilities Manager

**City of Missoula
Committees, Commissions and Boards**

ANIMAL CONTROL BOARD- MISSOULA CITY/COUNTY (Term 2 Years)

County Appointments:	Start of Term	End of Term
Autumn Everland	Jan. 1, 2016	Dec. 31, 2017
W. Lynn Gontarek-Garberson	Jan. 1, 2015	Dec. 31, 2016
City Appointments:		
Jesse Munro	Jan. 1, 2015	Dec. 31, 2016
Karen Munro	Jan. 1, 2015	Dec. 31, 2016
Animal Control Board-Must be a license Vet.		
Shoni Card, DVM	<i>Ongoing Appointment</i>	

BICYCLE AND PEDESTRIAN ADVISORY BOARD (Term 3 Years)

Members:	Start of Term:	End of Term:
Leora Bar-el	Sept. 16, 2014	Sept.15, 2017
Celia Grohmann	Sept. 16, 2014	Sept.15, 2017
Peter Drakos	Sept. 16, 2014	Sept.15, 2017
Ryan Yearous	Oct. 1, 2015	Sept.30, 2018
Peter Walker-Keleher	Oct. 1, 2015	Sept.30, 2018
Bob Wachtel (Chair)	Oct. 1, 2015	Sept.10, 2018
Thomas Sullivan	Sept. 16, 2013	Sept.15, 2016
Caleb Kasper	Sept. 16, 2013	Sept.15, 2016
Kathryn Fielding	Sept. 16, 2013	Sept.15, 2016

BOARD OF ADJUSTMENT (Term 3 Years)

Members	Start of Term	End of Term
Sara Stout	July 1, 2015	June 30, 2018
Micah Nielsen	July 1, 2015	June 30, 2018
John Horrell	July 1, 2015	June 30, 2018
Andy Short	July 1, 2013	June 30, 2016
Carl Posewitz	July 1, 2014	June 30, 2017
Michael Nave (Vice Chair)	July 1, 2014	June 30, 2017
Michael Kopitzke (Chair)	July 1, 2014	June 30, 2017
Sandy Mitchell (Alternate#1)	July 1, 2014	June 30, 2017
Charles (Char) (Alternate #2)	July 13, 2015	June 30, 2017

City of Missoula Committees, Commissions and Boards

BUILDING CODE BOARD OF APPEALS (Term 3 Years)

Members	Start of Term	End of Term
Heather McMilin (At-Large)	July 1, 2014	June 30, 2017
Jack Moffett (Electrician)	July 1, 2014	June 30, 2017
Carl Posewitz (Architect, Chair)	July 1, 2015	June 30, 2018
David V. Gray (At-Large)	July 1, 2015	June 30, 2018
Clayton Anderson (Plumber)	July 1, 2015	June 30, 2018
John Wells (At-Large)	July 1, 2016	June 30, 2019
Jonathan Gass (Engineer)	July 1, 2016	June 30, 2019

BUSINESS IMPROVEMENT DISTRICT BOARD (Term 4 Years)

Members	Start of Term	End of Term
Carma Jean Gilligan (Zone 1)	Jun. 1, 2015	May 31, 2019
Charlie Beaton (S. of Clark Fork River)	Jun. 1, 2015	May 31, 2019
Scott Stearns (Greater than 20,000sq ft.)	Jul. 25, 2016	May 31, 2020
Tim France (Less than 20,000 sq. ft.)	Jun. 1, 2016	May 31, 2020
Dan Cedarberg-(At-Large Rep)	Jun. 1, 2013	May 31, 2017
Kirk Bodlovic (Zone 2)	Dec. 14, 2014	May 31, 2018
Ellen Buchanan-(City of Missoula Rep)	Jun. 1, 2014	May 31, 2018

CEMETERY BOARD (Term 2 Years)

Members	Start of Term	End of Term
Marjorie Jacobs	May 1, 2014	Apr. 30, 2017
Sharee Fraser (Chair)	May 1, 2014	Apr. 30, 2017
Carol Gordon	May 1, 2014	Apr. 30, 2017
Patrick J. McHugh	May 1, 2015	Apr. 30, 2018
Mary Lou Cordis	May 1, 2015	Apr. 30, 2018

CONSERVATION DISTRICT - MISSOULA CITY/COUNTY (Term 3 Years)

Members	Start of Term	End of Term
Tim Hall- City Appointed	Jan. 1, 2016	Dec. 31, 2018
Paul Parson- City Appointed	Jan. 1, 2014	Dec. 31, 2016
Elizabeth "Libby" Maclay		Dec. 31, 2016
Sidney Wills		Dec. 31, 2018
Art Pencek		Dec. 31, 2018
Robert Schroeder		Dec. 31, 2018
Greg Martinsen- Non-Voting	N/A	N/A
Travis Greenwalt		Dec. 31, 2016

City of Missoula Committees, Commissions and Boards

CONSERVATION LANDS ADVISORY COMMITTEE

Appointed by the Missoula Parks & Recreation Board

Members:	Start of Term	End of Term
Aaron Olsen	Oct. 16, 2015	Oct. 15, 2018
Terry Carlson	Oct. 16, 2015	Oct. 15, 2018
Chris Ryan	Oct. 16, 2012	Oct. 15, 2015
Bert Linder	Oct. 16, 2013	Oct. 15, 2016
Beverly Dupree	Oct. 16, 2013	Oct. 15, 2016
Carol Fisher	Oct. 16, 2015	Oct. 15, 2018
Giles Thelen	Oct. 16, 2014	Oct. 15, 2017
Kathleen Kennedy	Oct. 16, 2014	Oct. 15, 2017
Kevin Verlanic	Oct. 16, 2014	Oct. 15, 2017
John Pierce	Oct. 16, 2013	Oct. 15, 2016
Non-Voting Members:		
Vicki Edwards		
Jennifer Hensiek		

DESIGN REVIEW BOARD (Term 1 to 3 Years)

Members:	Start of Term	End of Term
Whitney Maphis	Jan. 1, 2014	Dec 31, 2016
Kathleen Likvan	Jan. 1, 2013	Dec 31, 2016
Eric Mendelson	Sep. 21, 2015	Dec 31, 2016
Matt Loomis	Jan. 1, 2014	Dec 31, 2016
Dennis Lippert	Jan. 1, 2016	Dec 31, 2018
Sheena Comer Winterer	Jan. 1, 2013	Dec 31, 2016
Kyle Gauthier	Sep. 21, 2014	Dec 31, 2016
Ryan Smith	Jan. 1, 2016	Dec 31, 2018

ENERGY AND CLIMATE TEAM (Term 3 Years)

Members	Start of Term	End of Term
Robin Saha	Sep. 17, 2013	Jul. 31, 2016
Ben Schmidt	NA	NA
David Potchak	Jan 12, 2015	Jul. 31, 2017
Vacant	Aug. 1, 2014	Jul. 31, 2017
Molly White	Aug. 1, 2012	Jul. 31, 2015
Brian Kerns	Aug. 1, 2012	Jul. 31, 2015
John Freer	Aug. 1, 2012	Jul. 31, 2015
Diana Maneta (Alternate 1)	Jan. 12, 2015	Jul. 31, 2017
Sara Rinfret (Alternate 2)	Jan. 12, 2015	Jul. 31, 2017

City of Missoula Committees, Commissions and Boards

EXTRAORDINARY EVENTS COMMITTEE

Members	Representation
Matt Ellis (Chair)	<i>Facility Mgr. –Allegiance Field</i>
Ellen Buchanan	<i>Missoula Redevelopment Agency</i>
Ed Childers	<i>Mayor’s Designee-City Council- Ward 6</i>
Emily Bentley	<i>City Council Representative- Ward 3</i>
Mike Painter	<i>Community Forum Representative</i>
Dale McCormick	<i>Riverfront Neighborhood Council</i>
Linda McCarthy	<i>Missoula Downtown Association</i>

HEALTH BOARD- MISSOULA CITY/ COUNTY (Term 3 Years)

County Appointments (BCC)	Start of Term	End of Term
Teresa Henry	Jan. 1, 2014	Dec. 31, 2016
Garon Smith PhD	Jan. 1, 2015	Dec. 31, 2017
City Appointments City Council		
Ross Miller	Jan. 1, 2016	Dec. 31, 2018
Debbie Johnston	Jan. 1, 2014	Dec. 31, 2016
Other Members:		
Tom Roberts, MD	<i>City/County Health Board Appointed</i>	
Jean Curtiss (County)	<i>County Commissioner Appointed</i>	
Ed Childers (City)	<i>City Council Appointed</i>	
Paul Parson	<i>Conservation District Board Appointed</i>	

HISTORIC PRESERVATION COMMISSION (Term 2 Years)

Members	Start of Term	End of Term
James R. McDonald (Professional)	Jan. 1, 2016	Dec. 31, 2018
Joshua Pollarine (Southeast)	Jan. 1, 2016	Dec. 31, 2018
Steve Adler (Professional)	Jan. 1, 2016	Dec. 31, 2018
Mike Monsos (Northeast)	Jan. 1, 2014	Dec. 31, 2016
Cheryl Cote (Southwest)	Jan. 1, 2014	Dec. 31, 2016
Julia McCarthy-McLavery (At Large)	Jan. 1, 2014	Dec. 31, 2016
Scott Loken-Northwest	Jan. 1, 2014	Dec. 31, 2016
Kate Kolwicz (Downtown)	Jan. 1, 2015	Dec. 31, 2017
Cathy Bickenheuser (Professional)	Jan. 1, 2015	Dec. 31, 2017
Nikki Manning (Alternate 1)	Jan. 1, 2015	Dec. 31, 2017
Delia Hagen (Alternate 2)	Jan. 1, 2015	Dec. 31, 2017

Vacant *Serves at the pleasure of the MRA Board*

**City of Missoula
Committees, Commissions and Boards**

IMPACT FEE ADVISORY COMMITTEE (Term 4 Years)

Members	Start of Term	End of Term
Mayoral Appointments:		
Hank Trotter	Aug. 3, 2015	Nov. 30, 2016
Nick Kaufman (Development Rep)	Nov. 30, 2012	Nov. 30, 2016
Janet Stevens Donahue (Chair)	Nov. 30, 2012	Nov. 30, 2016
John Freer	Nov. 30, 2012	Nov. 30, 2016
Jim Galipeau (C.P.A.)	Dec. 1, 2014	Nov. 30, 2018
Jerry Ford	Dec. 1, 2014	Nov. 30, 2018
Kate Sutherland	Dec. 1, 2014	Nov. 30, 2018
City Council Appointments:		
Derek Goldman	Dec. 1, 2012	Nov. 30, 2016
Adam Pummill	Jun. 1, 2015	Nov 30, 2018

LIBRARY BOARD- MISSOULA CITY/COUNTY (Term 3 Years)

Members	Start of Term	End of Term
County Commissioner Board Appointed:		
Kathryn Doney	July 1, 2013	June 30, 2018
Rita Henkel	July 1, 2014	June 30, 2019
Christine Prescott	July 1, 2012	June 30, 2017
Margaret Warstet	July 1, 2013	June 30, 2018
Mayoral Appointments:		
Becky Mosbacher	July 1, 2014	June 30, 2019
Matt English (Alternate)	July 1, 2012	June 30, 2017

**City of Missoula
Committees, Commissions and Boards**

MAYOR'S DOWNTOWN ADVISORY COMMISSION (2 & 3 Year Terms)

Members	Start of Term	End of Term
Melinda Mason	Mar. 1, 2015	Feb. 28, 2018
Kathleen Jenks	Mar. 1, 2016	Feb. 28, 2019
Dan Cederberg	Mar. 1, 2015	Feb. 28, 2018
Eran Fowler- Pehan (Co-chair)	Mar. 1, 2016	Feb. 28, 2019
Loreen Hamilton	Feb. 1, 2015	Jan. 31, 2017
Keithi Worthington	Mar. 1, 2015	Feb. 28, 2018
Laurie Johnson	Mar. 1, 2016	Feb. 28, 2019
Margaret Borg	Mar. 1, 2016	Feb. 28, 2019
Michael Moore	Jan. 1, 2016	Dec. 31, 2018
Nicole Rowley	Feb. 1, 2015	Feb. 28, 2018
Elizabeth Marshall	Jan. 1, 2016	Dec. 31, 2018
Lt. Jake Rosling	Jun. 1, 2016	Sep. 30, 2019
Sue Wilkins	Jun. 1, 2015	May 31, 2018
Jon Wilkins	May 1, 2016	Apr. 30, 2019
Bryan von Lossberg (Co-chair)	May 1, 2016	Apr. 30, 2019
Ginny Merriam	Staff	Staff

MISSOULA CIVIC TELEVISION ADVISORY COMMISSION

Members	Start of Term	End of Term
Mayoral Appointments:		
Jean Zosel	Oct.21, 2014	Dec. 31, 2017
John Rettenmayer (Chair)	Jan. 1, 2014	Dec. 31, 2016
City Council Appointments:		
Bruce Tribbensee	Jun. 8, 2015	Dec. 31, 2018
John Firehammer	Jan. 1, 2014	Dec. 31, 2016
City Council Representative:		
Annelise Hedahl	Mar. 1, 2014	n/a
Ed Childers (Vice Chair)	Dec. 19, 2005	n/a
City Staff Representative		
Ginny Merriam	Mar. 1, 2006	n/a
County Representative		
Katie Kliez	Oct. 1, 2015	n/a
County Public School Representative		
Hatton Littman	Oct 7, 2013	n/a
U of M Representative		
Jen Sauer	Jun. 2, 2005	n/a

City of Missoula
Committees, Commissions and Boards

MISSOULA HOUSING AUTHORITY BOARD (Term 2/5 Years)

Resident Member terms are 2 years terms

Members	Start of Term	End of Term
Marlla Ellen Johansen (Res. Member)	Nov. 25, 2015	Jun. 25, 2017
Collin Bangs	Jun. 26, 2012	Jun. 25, 2017
Monique Casbeer (Resident Member)	Jun. 26, 2016	Jun. 25, 2018
Kila Shields	Jun. 25, 2016	Jun. 25, 2021
Jaime Hoffmann	Jun. 26, 2014	Jun. 25, 2019
Heidi DeArment	Aug. 10, 2015	Jun. 25, 2020
Kaia Peterson	Nov. 22, 2016	Jun. 25, 2018

MISSOULA PARKING COMMISSION BOARD (Term 4 Years)

Members	Start of Term	End of Term
John Roemer	May 1, 2013	Apr. 30, 2017
Matt Ellis	May 1, 2014	Apr. 30, 2018
Pat Corrick	Jul. 27, 2015	Apr. 30, 2019
Heidi Kendall	Jul. 27, 2015	Apr. 30, 2019
Joe Easton	Jun. 13, 2016	Apr. 30, 2020

MISSOULA REDEVELOPMENT AGENCY BOARD (Term 4 Years)

Members	Start of Term	End of Term
Daniel Kemmis	May 1, 2013	Apr. 30, 2017
Ruth Reineking	May 1, 2014	Apr. 30, 2018
Nancy K. Moe	May 1, 2014	Apr. 30, 2018
Melanie Brock	May 1, 2015	Apr. 30, 2019
Karl J. Englund (Chair)	May 1, 2016	Apr. 30, 2020

City of Missoula

Committees, Commissions and Boards

OPEN SPACE ADVISORY COMMITTEE (Term 3 Years)

Members	Start of Term	End of Term
Ethel MacDonald	Jan. 26, 2014	Jan. 25, 2017
Deke Tidwell	Jan. 26, 2014	Jan. 25, 2017
Robert Erickson	Jan. 26, 2014	Jan. 25, 2017
Gerhard Knudsen	Jan. 26, 2015	Jan. 25, 2018
Janet Krivacek	Jan. 26, 2015	Jan. 25, 2018
Regan Whitworth	Jan. 26, 2015	Jan. 25, 2018
Alexis Gibson	Feb. 8, 2016	Jan. 25, 2018
Eric Anderson	Jan. 26, 2016	Jan. 25, 2019
Bert Linder	Jan. 26, 2016	Jan. 25, 2019
Daniel Spencer	Jan. 26, 2016	Jan. 25, 2019
Anna Noson	Jan. 26, 2016	Jan. 25, 2019
Kevin Verlanic	Park Board Appointment	

PARKS AND RECREATION (Term 3 Years)

Members	Start of Term	End of Term
Ross Mollenhauer	May 1, 2014	Apr. 30, 2017
Dayna Swanson	May 1, 2016	Apr. 30, 2019
Johanna Eisenmann	May 1, 2014	Apr. 30, 2017
Dale Harris (Chair)	May 1, 2016	Apr. 30, 2019
John O'Conner	May 1, 2013	Apr. 30, 2019
Sonja Verlanic	May 1, 2016	Apr. 30, 2019
Christine Ryan	May 1, 2014	Apr. 30, 2017

PLANNING BOARD (Term 3 Years)

Members	Start of Term	End of Term
County Appointments (BCC)		
Dick Ainsworth	Jan. 1, 2016	Dec. 31, 2017
Michael Houlihan	Jan. 1, 2016	Dec. 31, 2017
Josh Slotnick	Jan. 1, 2016	Dec. 31, 2017
Jason Rice	Jan. 1, 2016	Dec. 31, 2017
Mayoral Appointments		
John Newman	Jan. 1, 2017	Dec. 31, 2018
Neva Hassanein	Jan. 1, 2016	Dec. 31, 2017
City Council Appointments		
Karen Slobod	Jan. 1, 2016	Dec. 31, 2017
Helen Pent Jenkins	Jan. 1, 2016	Dec. 31, 2017
Planning Board Member		
Ron Erickson	Jan. 1, 2015	Dec. 31, 2017
Dudley Improta (City Alt.)	Jan. 25, 2016	Dec. 31, 2017
Andy Mefford (Co. Alt.)	Jan. 1, 2016	Dec. 31, 2017

**City of Missoula
Committees, Commissions and Boards**

POLICE COMMISSION (Term 3 Years)

Members	Start of Term	End of Term
Daniel Doyle	May 1, 2014	April 30, 2017
Suzanne Peterson	May 1, 2015	April 30, 2018
Raymond Murray (Chair)	May 1, 2016	April 30, 2019

PUBLIC ART COMMITTEE (Term 4 Years)

Members	Start of Term	End of Term
Kia Liszak	Jun. 30, 2013	July 1, 2017
Douglas Olson	Jul. 1, 2014	Jun. 30, 2018
Peter Lambros, Chair	Jul. 1, 2014	Jun. 30, 2018
Taag Peterson	Jul. 1, 2015	Jun. 30, 2019
Kathi Olson	Jul. 1, 2015	Jun. 30, 2019
Ted Hughes	Jun. 30, 2012	July 1, 2017
City Council Appointments		
Courtney LeBlanc	Sep. 1, 2015	June 30, 2019
Julie Armstrong	Jul. 1, 2015	June 30, 2019
City Council Representative		
Marilyn Marler	-----	-----

TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD (Term 4 Years)

Members	Start of Term	End of Term
Dan Carlino, Chair	Dec. 1, 2014	Nov. 30, 2018
Lucy Weeder	Dec. 1, 2014	Nov. 30, 2018
Regina Rhodes	Nov. 30, 2013	Nov. 30, 2017
Matthew Doucette	Nov. 16, 2012	Nov. 30, 2016
Vacant	Nov. 30, 2016	Dec. 1, 2020

**City of Missoula
Committees, Commissions and Boards**

TRANSPORTATION POLICY COORDINATING COMMITTEE

Members	Association	Voting
Don MacArthur	Missoula Urban Transportation District	Yes
Jason Wiener	City Council	Yes
John Engen	Mayor, City of Missoula	Yes
Stacy Rye	Board of County Commissioners	Yes
Nicole Rowley	Board of County Commissioners	Yes
Ed Toavs	Montana Dept. of Transportation	Yes
Greg Oliver	Missoula Consolidated Planning Board	Yes
Lloyd Rue	Federal Highway Administration	No
Doug Schallenberger	Ravalli County Commissioner	No
Garon Smith	Missoula City/County Health Board	No

URBAN TRANSPORTATION DISTRICT BOARD (Term 4 Years)

Members	Start of Term	End of Term
County Appointments (BCC)		
Marty Blair	Jan. 1, 2015	Dec. 31, 2018
Melanie Brock	Jan. 1, 2014	Dec. 31, 2017
Andrea Davis, Chair	Jan. 1, 2016	Dec. 31, 2019
Mayoral Appointments		
Amy Cilimiburg	Jan. 1, 2014	Dec. 31, 2017
Jesse Dodson	Apr. 25, 2016	Dec. 31, 2019
Eric Hines	Jan. 1, 2015	Dec. 31, 2018
City/County Alternating Appt.		
Don MacArthur	Jan. 1, 2013	Dec 31, 2016

Budget Message

December 15, 2016

City of Missoula Residents:

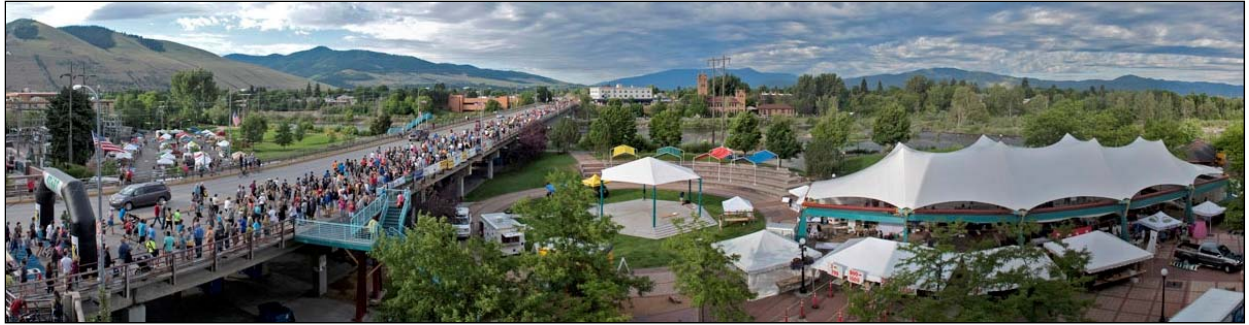
This document is the Final Operating and Capital Budget for the City of Missoula, Montana for the fiscal year ending June 30, 2017 (FY 17). A brief summary of the Final Budget follows.

Overview of Budgeted Resources

The following table depicts the projected beginning balances, estimated revenues, final budgeted expenditures, and projected ending balances for the budget year. All city funds are included in this budget. The table reflects estimated revenues of \$137,130,633, budgeted expenditures of \$140,257,078 with expected expenditure savings of \$1,550,000, resulting in a projected decrease in the ending balances of \$1,576,445. An explanation of the significant changes in fund and cash balances (those greater than 10%) are provided on the following pages.

Projected Changes in Fund Balances or Cash Balances Final Budget - July 1, 2016 through June 30, 2017 (FY 17)

	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Component Units	Total All Funds
	General	Special Revenue	Debt Service	Capital Project	Enterprise & Internal Service	Trust & Agency		
Projected Beginning								
Fund Balance/Cash		\$ 8,439,301	\$ 2,910,637	\$ (8,996,396)	\$ 78,627,297	\$ 466,016	\$ 9,373,521	\$ 96,063,843
Nonspendable/Assigned/Restricted	\$ 3,693,353							
Unassigned	\$ 1,550,114							
Estimated Revenues	55,543,754	17,947,084	3,088,390	11,917,900	28,992,876	-	19,636,376	137,126,380
Approved Budget	(57,564,062)	(19,188,682)	(3,088,390)	(2,921,504)	(28,811,623)	-	(28,682,817)	(140,257,078)
Anticipated Savings	1,550,000	-	-	-	-	-	-	1,550,000
Projected Change in Fund Balance/Cash	(470,308)	(1,241,598)	-	8,996,396	181,253	-	(9,046,441)	(1,580,698)
Projected Ending								
Fund Balance/Cash		7,197,703	2,910,637	-	78,808,550	466,016	327,080	94,483,145
Nonspendable/Assigned/Restricted	3,063,597							
Unassigned	1,709,562							
Total Projected Fund Balance	\$ 4,773,159							

FY 17 Final Operating and Capital Budget

Listed below are explanations of the significant changes in fund balance/cash, for each of the major fund groups.

General Fund (Major Fund)

- The General Fund: The General Fund year-end fund balance decreased from \$5.61 million in FY 2015 to \$ 5.24 million at the end of FY 2016. Approximately \$300,000 of the reduction in the fund balance is due to the expenditures related to the Parks and Trail bond and the timing of the bond revenues from the county. The City entered an agreement with the County in which the City would purchase the playground equipment and the construction of Fort Missoula Regional Park and submit the claims to the County for reimbursement. At the close of FY 2016, all of the posted expenditures have been reimbursed thus creating a fund balance deficit of more than \$400,000. FY 2016 was especially difficult on the infrastructure maintenance budgets. Both the Parks and the Street Departments went over their maintenance budgets due to weather concerns, mostly snow and snow related events. The Parks Department expended over \$140,000 in the maintenance budget overcoming an event known as “Tree-pocalypse”. During a particularly intense wind storm, several of the older trees in the urban forest succumbed to the weather causing thousands of dollars in property damage and a great deal of operating costs to clear and clean up the right-of-way from all of the debris/damage. These unforeseen events are the direct cause of the reduction in the General Fund balance. The previous building of the fund balance in the prior five years was accomplished by budgeting conservatively for revenues with significant expenditure savings required of many large General Fund departments, such as Police, Fire and Parks & Recreation. In budgeting for FY 2017, there is the continued trend to budget conservatively in the revenues and there is a \$135,000 budget with-holding requirement. In addition to the budget with-holding, a conservative estimate in fund balance reserve has been estimated. With the conservative revenues, budget with-holdings and a conservative reserve, it is anticipated the General Fund balance should increase by \$160,000 bringing the net fund balance to \$2.13 million at the close of FY 2017.

Special Revenue Funds

- Special Revenue Fund balances are usually fully appropriated to be spent, even though certain funds are targeted to have substantial year end fund balances to handle the ongoing operating expense of their programs without developing a negative fund balance (i.e. Street Lighting Assessments Fund, Cable Franchise Fee Fund, Building Inspection Fund, Special District funds). Most of the other special revenue funds are slated to fully spend the beginning fund balance; the balance exists because projects were not completed during the preceding fiscal year.

Debt Service Funds

- The Debt Service year end fund balance is budgeted to be spent for all general obligation debt, but not for special improvement district (SID) debt service funds. The City is required to maintain a reserve equal to 5% of all outstanding SID bonds. In addition, the SID debt service funds are expected to build in size until bonds are called (redeemed) early due to prepayments of the underlying assessments supporting these debt issues.

FY 17 Final Operating and Capital Budget**Capital Project Funds**

- The Capital Projects year end fund balance for FY 2016 was negative. This will continue to be reduced from year to year as the projects are completed and the bonds are issued to reimburse the city for the infrastructure/projects constructed.

Enterprise/Internal Service Funds

- The Enterprise Fund balances are expected to continue to hold steady. Sewer utility rates were increased modestly for the FY 2010 - FY 2013 budget years (5%/year in each year for four years) to accommodate the financing of an upgrade at the wastewater plant head-works. In FY 2009, sewer utility charges declined 2% for the first time in over a decade due to reduced industrial and commercial billings, reflecting the effect of the current national economic recession. However, the City has continued to grow in population and in new sewer connections at a rate of approximately 1.5% per year. By FY 2010, the decline in revenues started to reverse and the sewer revenues began to grow again in the industrial and commercial billings through the current year (FY 2017). The residential component of the utility billing has always seen modest growth, even during the recession. In FY 2016, there was another utility bill increase to cover current and upcoming capital projects to improve efficiency, reduce emissions and recapture biogas fumes to convert into electricity which assist in powering the treatment plant. This increase is a modest 2.5% increase to all utility bills effective each January 1, for the next three years (2016 – 2018).
- The City's only Internal Service Fund, the City Health Insurance plan, had suffered from significant increases in usage and medical inflation during the past decade causing a volatile fund balance. In an attempt to have a positive growth in the fund balance, the City increased the contributions on both the employee and on behalf of the City. In addition to the increased contributions, the City provided additional funding as onetime transfers from the General Fund for FY 2012 – FY 2015 to assist in maintaining a positive fund balance. In FY 2015, there was a slight reduction in fund balance due to an abnormal increase of costs to the program. This was determined to be an increased cost from the implementation of the Affordable Care Act (ACA) also known as Obamacare. Part of implementing the ACA is that it is mandatory to include prescriptions as part of the total claim deductibles and this was not recognized prior to the implementation of the ACA. The City is committed to maintaining a 3 month reserve in the health plan based off the budgeted expenditures. The target fund balance for FY 2017, meeting the reserve requirement, is \$1,600,000. In order to continue to build fund balance the administration recommended that the City's funding of the health plan be increased by 3% (\$23.00) per employee beginning October 2016. In addition to the increase in the City's contribution, the employees are asked to increase an equivalent of 3% (\$1.00) per employee and \$24.00 per spouse/employee, when applicable, per month. The Employee Benefit Committee has been focusing on identifying ways and methods to cut costs within the health plan by utilizing the assistance of the plans third party administrator, Allegiance.

Component Units

The City of Missoula has four component units: Missoula Parking Commission (MPC), Missoula Redevelopment Agency (MRA), Business Improvement District (BID), and the Tourism Business Improvement District (TBID).

- The Parking Commission has an operating budget of \$1.7 million plus debt service requirements of \$0.9 million. It maintains a reserve of \$0.5 million, part of which is required for coverage pertaining to outstanding bond issues as a result of the construction of additional parking in the downtown business district made available to the public in the spring of the 2014. FY 2016 ended with the implementation of new parking meters. This was a \$1.6 million plus venture that replaced all of the antiquated single-space mechanical parking meters with new multi-space digital meters that can accept credit cards. In FY2017 the Parking Commission is working with community partners and businesses to increase the available public parking capacity. Parking Commission is also considering implementing License Plate Recognition (LPR) to be used by the Enforcement Officers

FY 17 Final Operating and Capital Budget

and at the gates of the parking garages. The implementation of the LPR will increase enforcement and provide more efficiency for monitoring the downtown parking.

- The Missoula Redevelopment Agency (MRA) was created by the City Council to encourage new development and redevelopment pursuant to the adopted Urban Renewal Plans. Preserving existing public investment, enhancing the tax base, generating employment, and stimulating private investment are the means MRA uses to reclaim urban renewal areas. The MRA encourages infill development, provides for the adaptive reuse of the built environment, and reclaims blighted properties. MRA is empowered by State law and local ordinance to respond aggressively and with flexibility to redevelopment problems and opportunities. Through these activities, MRA also provides alternatives to urban sprawl outside existing municipal service boundaries. Missoula has six active Urban Renewal Districts (URDs) that are currently being managed by MRA. All of the districts have a tax increment financing (TIF) funding mechanism authorized by State urban renewal law. URD II, located in the heart of Missoula, covers the approximate area starting north at Toole Avenue, extending south to South 3rd Street, and starting east at Walnut Avenue and running west until Garfield Avenue. URD III runs along the Brooks Street corridor in southwest Missoula. The approximate area that URD III covers, starts in northeast Missoula at 14th Street and Bancroft Street and follows the Brooks Street corridor southwest extending to Reserve Street and 39th Street. Recently URD III extended the boundaries to include parcels that the Southgate Mall occupies, and an area along the western boundary between Reserve Street and Montana Rail Link's Bitterroot Branch Line. The boundary modification in URD III allows for consideration of TIF funds to be used in upgrading infrastructure and expanding street connectivity in the area. Two smaller districts are located in downtown Missoula adjacent to the Clark Fork River. The Front Street URD generally occupies the area south of Main Street to the River, and west of Madison Street to one block east of Orange Street. The Riverfront Triangle URD generally occupies the area south of Broadway to the River, and west of Orange Street to the MRL Bitterroot Branch Line. Two new districts were active in the past year and they include the Hellgate URD, which is located east of Madison Street between Interstate 90 and the Clark Fork River and the North Reserve – Scott Street URD, which is located between Reserve and Scott Streets north of the MRL railroad and south of Interstate 90. MRA has initiated programs to build sidewalks in URD II and URD III where they do not exist or are deficient. Approximately 13.2 miles of sidewalks have already been constructed with the goal of completing the sidewalk network in both districts within the life of those districts. Over \$10 million has been spent improving neighborhoods through the installation of sidewalks, curbs, street trees and repaved streets since MRA initiated the complete sidewalk program. After successfully completing major improvements to Brooks Street between Reserve Street and Dore Lane, MRA made a commitment to similar improvements to Brooks Street between Dore Lane and Paxson Street. The project will make the street more conducive to pedestrian and bicycle use through reduced lane widths, construction of curb extensions and crosswalks at the intersections, installing pedestrian scale street lights and street trees. In addition to the Brooks Street improvements in URD III, construction is nearing completion on a grade separated trail crossing at South Reserve Street to link the Bitterroot Branch and the Missoula-to-Lolo Trails, providing a trail system from downtown Missoula to Hamilton. The two new districts also have active projects in their districts which include the State of Montana's new location for Missoula College in the Hellgate district and two ongoing projects in the North Reserve – Scott Street district. MRA is assisting with infrastructure upgrades to the national headquarters for a regional home health corporation, and for a new residential neighborhood named Scott Street Village. MRA is also working with community partners to assist with a large student housing project in the Front Street district, a major hotel, retail, housing and community convention center project in Riverfront Triangle district and the extension of Mary Avenue through the Southgate Mall property providing a new connection from Brooks Street to Reserve Street. MRA is also working with the City's Department of Housing and Community Development to identify opportunities to increase affordable housing in the community.
- The Downtown Business Improvement District (BID) was created through the efforts of the Missoula Downtown Association to address the challenges created by the termination of the Downtown Urban Renewal District (URD I) on June 30, 2005. Implementation of the district began

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in 2001 with the creation of a committee, followed by community education through local media campaigns and meetings with property and business owners in the district. Following educating the citizens was the creation of a comprehensive database of property owners in the district, and the petition process to create the district. The verification the petition was finalized at the end of 2004. The BID was presented and approved by the City Council in April 2005. The BID now serves as an advocate for property and business owners in the district and address areas such as safety, cleanliness, appearance, marketing, business retention and recruitment. The district also advocates for public and private investment in buildings and infrastructure.

- The Tourism Business Improvement District (TBID) was created through the efforts of the Missoula Area Convention and Visitor's Bureau to aid tourism, promotion, and marketing within the District. The creation of the district also allows Hotels/Motels outside the City limits in the Missoula Urban area to participate in the Tourism Business Improvement District. The goal of the TBID is to increase four season revenues statewide through effective marketing and promotions. In order for the TBID to accomplish its goal of increasing four season revenues by focusing on high-value, low-impact visitors by working in partnership with the Missoula International Airport to bring key new service to Missoula. The TBID also works with the community to keep and strengthen our present air service by promoting Missoula and Montana and by offering incentives to air services in an attempt to increase the total air service into and out of Missoula. Destination Missoula and the TBID will focus on increasing overnight visitation to Missoula with an emphasis on the months of November through April. In an effort to increase overnight stays in Missoula the TBID/Destination Missoula will leverage marketing funds focusing on Missoula being a prime destination for annual business meetings and/or conventions, sports and sporting events, tour, group, and leisure travel.

Planning Processes

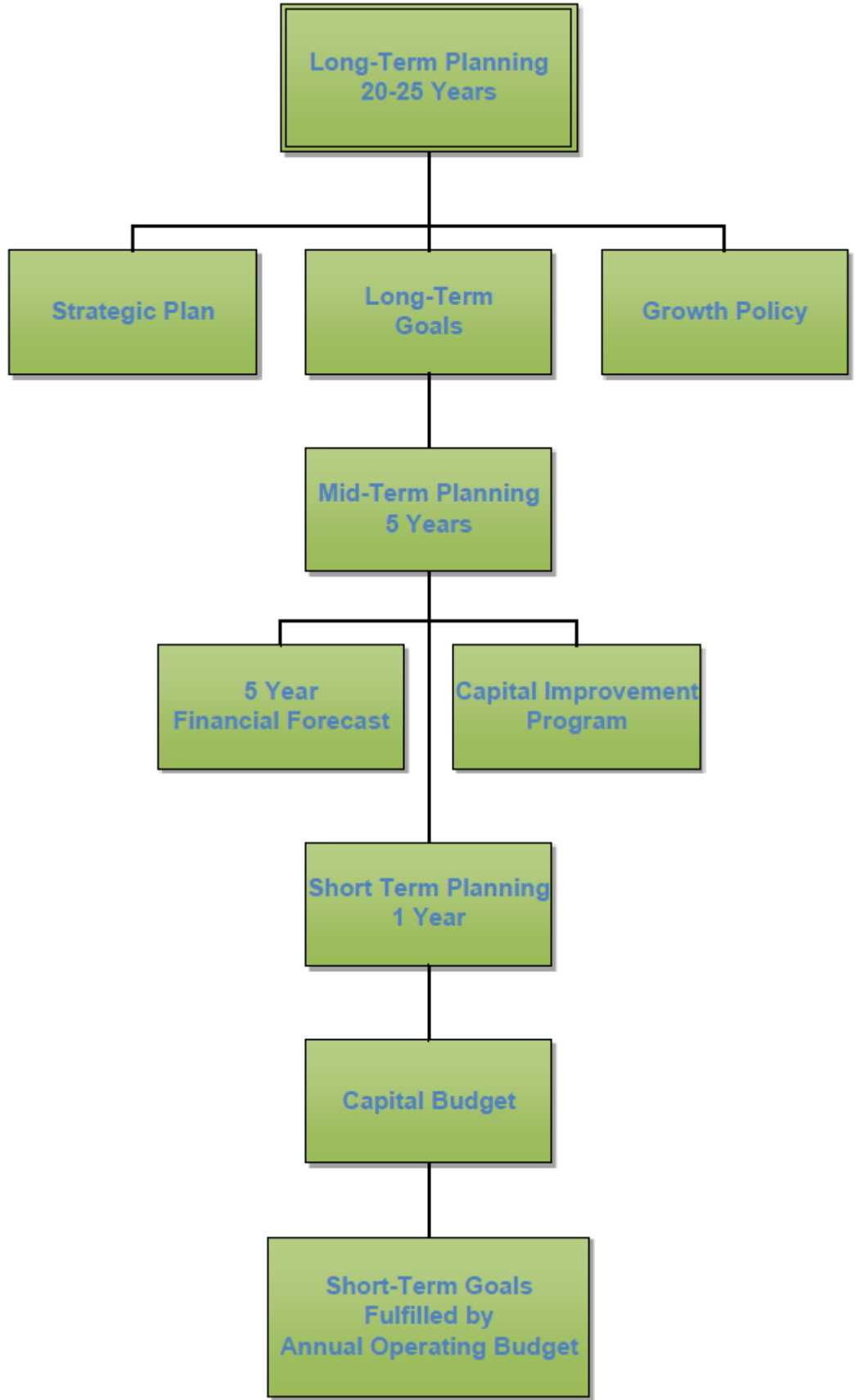
The City of Missoula conducts various planning processes (long-term, mid-term and short-term), to help guide the government and to ensure that decisions are made in the context of the organization as a whole and with a long-term perspective. Diligent efforts are made to ensure each of these component planning processes are in concert with one another. This so called "Linkage" is paramount to insure short-term decisions are consistent with the overriding values embodied in the

mid-term and long-term planning processes adopted by the City Council. This required linkage dictates that the Operating and Capital Budget be developed within the context of and consistent with, the City's long-term and mid-term plans.

Each element of the City's planning process has a different purpose and timeframe. The Strategic Plan, Vision, Mission, Long-term Goals and Growth Policy are the most far-reaching in nature — 20 to 25 years. The Capital Improvement Program and the Five-Year Financial Forecast are mid-term in nature — 5 years. The Annual Budget and the Capital Budget are short-term — covering a 1 year timeframe. The most important requisite is that they are coordinated efforts.

Shown below is a hierarchy of the City's layered planning processes, all which support one another and are designed with a common goal. The chart depicts how the Annual Operating Budget and the Capital Budget fit within the City's planning process hierarchy.

FY 17 Final Operating and Capital Budget



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Strategic Plan

Strategic planning suggests ways (strategies) to identify and to move toward desired future states. Strategic planning starts with the process of developing and then implementing plans to reach goals and objectives. Within government, strategic planning provides guidance for organizational management, similar to that for business, but also provides guidance for the evolution or modification of public policy and laws. Areas of such public policy include: funding of infrastructure and rate-setting, it also includes functional plans, such as the City’s Comprehensive Plan for land use, the City of Missoula transportation plan, the City of Missoula wastewater facility master plan, and City of Missoula fire master plan.

The FY 2017 budget continues our Strategic Planning initiatives started in FY 1992. This plan was significantly updated in FY 2009 and implemented in FY 2010. In FY 2017, the City’s Strategic Plan is slated to be updated. A Request For Proposal (RFP), contractor selection and award of the RFP, additionally, preliminary review of the strategic plan is scheduled to take place. The City’s Strategic Plan is an ongoing dynamic process that will provide residents, taxpayers and stakeholders a greater understanding of city government. The City’s Strategic Plan focuses on performance. The City’s Strategic Plan provides for measurable goals and objectives the City intends to achieve within the fiscal year. Department employees will be held accountable for the implementation and success of the plan. As part of the City’s Strategic Planning Process, the city created a set of strategies to help guide the organization. These range from philosophical strategies down to concrete achievable goals for the coming year. The City’s Strategic Planning Process, which is delineated into several charts and paragraphs, is listed below:

City of Missoula
Strategic Plan 2010-2017

Goal

We believe the City of Missoula has a responsibility to remain financially stable and to provide service to its citizens.

We will work toward success in three areas:

- 1. Fiscal Sustainability**
- 2. Harmonious natural and built environment**
- 3. Quality of life for all people in all places**

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City of Missoula Goals

The City created a set of short-term and long term goals and strategies. The short-term goals and strategies are those that guide the development of the budget for the coming year. Long-term goals and strategies are more far-reaching in nature and do not change from year to year, however are reviewed and updated every year.

Listed below are the City’s Strategies that help guide the development of this budget. The goals and strategies listed below are addressed very specifically in each of the

departmental narratives in this budget document. The extent to which a department can advance these goals and strategies is actually quantified and scored when the individual offices are seeking funding for capital requests. Actual scoring for each of the capital requests is explained in the Capital Budget section of this report.

City of Missoula Strategies

Missoula will lead the region in the following three areas:

1. Funding and Service

- We will maintain or improve the level of service to citizens.
- We will work toward sustaining and diversifying fiscal resources.
- We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.

2. Harmonious Natural and Built Environment

- We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clear air.
- We will work to provide citizens access to parks, open spaces and the natural environment.
- We will reflect values of sustainability in transportation and building design.

3. Quality of Life for All Citizens

- We will work together to meet basic human needs with dignity for all.
- We will work to provide affordable housing for the work force of Missoula.
- We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.

Departments develop and continue to develop performance measures to identify and track quantitative and qualitative measures of their service delivery performance. Performance budgets emphasize the accomplishment of program objectives. Performance budgeting involves a shift away from inputs (what is going to be purchased), to outcomes (what is going to be accomplished). Annually, the departments review their strategic goals and if the goals were met or need to be redefined. The departments revise the goals and strategies on an annual basis to ensure that they are short term, or can be accomplished within a year.

FY 17 Final Operating and Capital Budget**Five-Year Financial Plan**

Each year the City of Missoula evaluates its current financial condition within the context of existing programs, assesses future financial capacity, and integrates the City's Strategic goals, objectives, and financial policy into its decision-making process. Analysis of the City's financial and economic trends is an integral part of this process.

Finance Department staff perform financial trend analysis each year in conjunction with the annual mid-year budget analysis. The Five-Year Financial Plan utilizes budgetary and financial information to create a series of local government indicators to monitor changes in the City's financial condition. These indicators, when considered as a whole, can help interested stakeholders gain a better understanding of the City's overall financial condition. This type of analysis of key financial trends and other community factors is similar to the analysis that credit rating agencies undertake to determine the City of Missoula's bond rating.

Using this trend analysis and the framework of the financial policies adopted by City Council, management is able to strategically plan and budget, provide solutions to negative trends, and ultimately preserve the financial health of the City of Missoula. It is a good 'report card' of the City's current financial condition and reference point as staff begins work on the next year's budget. Most importantly, the financial trend analysis assists the City Council and the city administration in focusing on the "Big Picture" of the city's financial operations.

The long range financial plan for the City of Missoula is starting to show trends of increased building in both the commercial and residential portions of the city. This increase in the building industry is positive for the City due to the fact that at this time the majority of the City's revenues are dependent on the tax base. Since FY 2008, the start of the recession, the City was having difficulty raising revenues related to the stagnant growth in the building industry and many commercial businesses lay empty or for sale. During the recession, the goal of the City was to maintain a positive fund balance or increase the fund balance to the goal of a 7% reserve of operating expenditures. This is one of the major long term goals of the City General Fund. With the onset of increased spending in the building industry, the City is on the verge of realizing the additional tax base, which translates into increased revenues from property taxes. Growth in the City is evident by the continued positive increase in the market value, which is discussed further in the budgetary trends section below. Although there is continued and steady growth, the City's revenues are still limited and reliant on taxes and the ability to tax the citizens within State statutes.

On the horizon, past the five year financial plan, the City is looking into expanding services and space. Currently the City is experiencing overcrowding issues with the staff and services. As the population continues to increase, there is increased needs in the services provided to the public. Every year new FTE's are being added to the overall staff, and the current property that houses the police and central services departments are constrained by space, with no room for expansion. As the number of FTE's continue to increase with the services offered, the City is looking into acquiring additional property in order to consolidate staffing. Currently the City is renting space for two different departments and a number of staff members. Within ten years, the municipal court will need to expand to another court room and add additional staff for a proposed newly elected Judge. Being that the revenues are reliant on the tax base and the will of the State Legislature, the City has been actively looking into different revenue streams to supplement the anemic tax allowances. There has been discussion of creating a local option sales tax in an effort to tap into the tourists that migrate to Missoula all throughout the year for the different activities that are offered in this area. This additional revenue will go towards much needed expansions in services, such as public safety and space. Another area of concern is the aging infrastructure and the funding for the infrastructure. The state allowance for the Gas tax has not been able to keep up with inflation and constructions costs. The City, in conjunction with the County is, looking into creating a local option gas tax to increase revenues that would go towards upgrading the ageing infrastructure. As discussed further in the Capital Improvement Section, the City continues to seek out alternative methods and revenue streams to fund projects and staff. To make up for annual shortfall in taxes.

FY 17 Final Operating and Capital Budget**Capital Improvement Plan**

The City prepares a 5-year Capital Improvement Program (CIP) which is summarized within the Annual Operating Budget. The CIP is a multi-year capital improvement plan that forecasts, but does not obligate, future spending for all anticipated capital projects. The CIP is developed and updated annually. The proposed five-year CIP uses conservative financial forecasts and reflects only those projects with the highest priority, that are mandated by the law or some other legal obligation and projects that have the most realistic expectation for completion during the next five years. This approach avoids raising expectations for projects that are not well defined or that the operating budget will not support.

As in recent years, the City continues to face numerous capital funding requests. At the same time, the City has finite resources and limited taxing authority to fund the operating costs for many of the proposed capital projects. The proposed five-year CIP attempts to continue, and even expedite, priority projects and projects that are legally obligated, while ensuring long-term sustainability for operating impacts.

The Annual Budget Process includes a re-evaluation of the capital projects included in the CIP for the coming year as well as the anticipated funding sources for the projects. If approved in the Annual Budget Process, the capital items appear in the Annual Operating Budget, which constitutes the formal spending authority for the project. The capital items included in the Annual Operating Budget represent the "Capital Budget".

The City of Missoula utilizes capital lease financing to purchase vehicles and equipment that have outlived their useful life and has been determined by the vehicle maintenance manager the vehicle or piece of equipment is in need of being replaced. Each fall the City enters into a new capital lease agreement from the vehicles and equipment purchased the prior year. The goal of the City is to enter into a capital lease agreement that total around \$1.5 - \$2.5 million per year with a future lease payment averaging about \$475,000 per year. With the City entering into a lease agreement every year and existing lease payments expire, this maintains a consistent debt payment of approximately \$1.5 million per year. This is the amount used for future capital lease payments when developing the budget and in determining the vehicle and equipment replacement schedule.

An additional summary of the significant capital projects included in the FY 2017 Operating Budget is included in the Capital Projects Section of this budget. The Capital Projects Section includes the details of the current and estimated future debt payments based on of the vehicle and equipment replacements schedule.

FY 17 Final Operating and Capital Budget

STAFFING CHANGES

The final budget includes a net overall increase of 19.02 full-time equivalent employees (FTE). The chart below shows the change in FTE for the budget year for each department. Also, included in the appendix is a chart that shows the City's FTE over the last five years.

Staffing Changes (FTE)	
DEPARTMENT/DIVISION	Net Increase (Decrease)
General Fund Departments	
Municipal Court	1.00
Finance/Treasurer	1.00
Housing & Community Development	3.00
Public Works - Operations	0.11
Facility & Vehicle Maintenance	0.55
Police Department	2.51
Street Division	0.71
City Cemetery	(0.01)
Parks & Recreation	2.01
Fort Missoula Regional Park	1.75
Total General	12.63
Special Revenue Funds	
Transportation	0.10
Road District 1	1.91
Park District 1	4.49
Total Special Revenue	6.50
Proprietary Funds	
Wastewater Treatment Plant	-
Aquatics	(0.11)
Total Proprietary	(0.11)
Total for City Departments	19.02

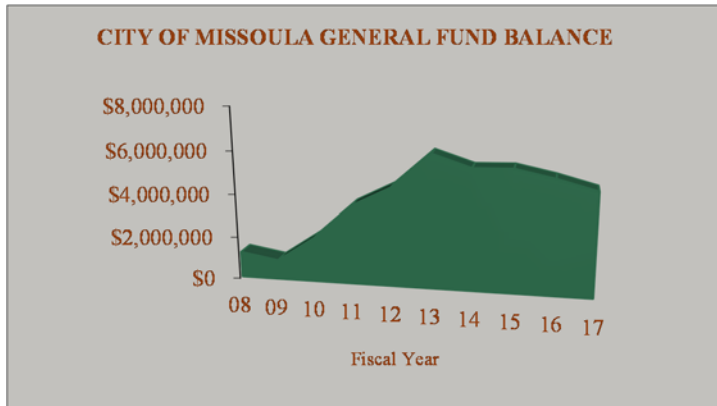
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BUDGETARY TRENDS

Shown below are a series of key financial indicators and budgetary trends that affect the ability of the City to sustain current service levels, while maintaining financial stability.

Fund balance measures the net financial resources available to finance expenditures of future periods.

Rating agencies examine fund balance when considering the credit quality of the City.



The General Fund balance is one of the better indicators of the City's overall financial health. Shown by the graph to the left is the City's actual General Fund balance over the course of the last ten years. Although not shown on the graph, the reduction in General Fund balance from FY 2001 to 2003 was attributable to several factors including the financial losses associated with a Fire arbitration settlement and a business licensing lawsuit as well as the

transfer of nearly \$1,000,000 to stabilize the City's Health Plan and set up the City's Building Inspection Division as a separate fund. Subsequent to FY 2003, the City has made a conscious effort to rebuild the General Fund balance. At the end of FY 2008, the total fund balance of the General Fund was \$1.2 million compared to \$1.0 million at year end in FY 2003. The decrease in fund balance in FY 2008 was due to a decline in expected expenditure savings and slight increase in tax delinquencies. An item of note is a historic review over the past 15 years indicates the City has consistently have between 3% - 5% in expenditure savings. The City addressed this issue by requiring mandatory holdbacks on expenditures ranging from 0.5% - 3.7% starting in FY 2009 and continues through the current fiscal year. The FY 2008 expenditure savings were less than 1% due to the heavy operating impact of higher fuel, energy and transportation costs that became imbedded in virtually everything the City purchased. The decrease in fund balance in FY 2009 was primarily due to a decline in expected revenues, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses), investment earnings and in police fines. The decrease in collections on fee based services resulted in a decrease in the General fund balance from \$1.2 million to \$0.9 million.

In order to combat the reductions in the general fund balance, the City's budgets continue to be structurally balanced, permitting the City to increase its General Fund year-end fund balance from \$0.9 million in FY 2009 to the high point of \$6.14 million by the end of FY 2013, meeting the 7% fund balance target. However, the fund balance continues to show a decline through the year end FY 2016. The continued building of the fund balance from FY 2009 through FY 2013 was accomplished by budgeting conservatively for revenues and by mandating significant expenditure savings from many large General Fund departments. Please note that seven special purpose funds under General Fund control were removed from the Special Revenue fund category at the end of FY 2010 and moved to special purpose General Fund accounts in FY 2011, causing an increase in the assigned fund balance by \$1.5 million. The City's goal is to rebuild the fund balance back to the FY 2013 level of an unassigned fund balance of \$6.1 million. The beginning fund balance for FY 2017 is estimated at \$5.2 million and the estimated ending fund balance indicates that the fund continues to decline. Under further review, the budgeted reduction is in the assigned fund balance in the special purpose General Fund Accounts. This is to be expected, as the funds in these special purpose accounts are set aside for special projects and/or improvements. Even though the overall fund balance is anticipated to reduce, the City expects to rebuild the FY 2017 unassigned fund balance by \$160,000 in order to continue to build the fund balance up to the targeted 7%. The unassigned fund target balance is \$6.1 million, which is 7% of the operating expenses, the goal identified by the City's rating agency for adequate unassigned fund balance in the General Fund.

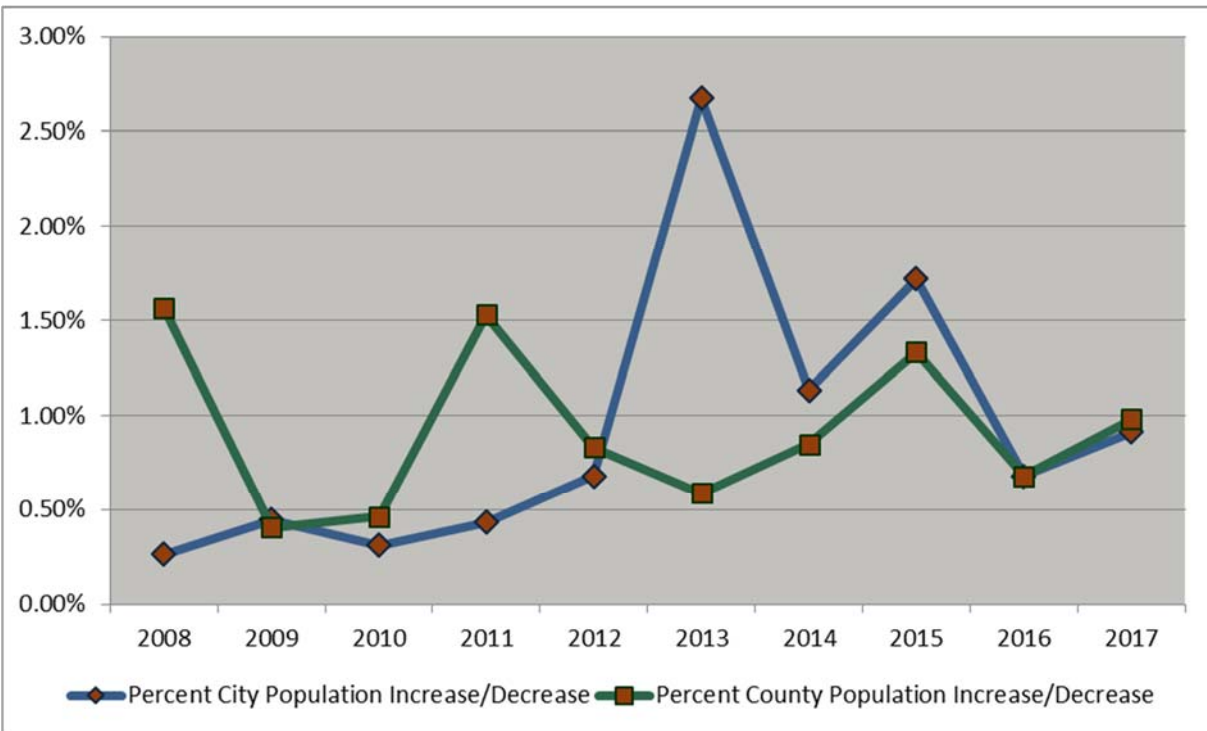
FY 17 Final Operating and Capital Budget



Full-time equivalent employees (FTE) are a key indicator mirroring the growth of the City of Missoula. As shown by the graph on the left, total FTE's grew to 512.17, and then were reduced back to 491.29 by FY 2012 in reaction to the recession. Due to the fact that revenues had stabilized and have been increasing for several years successively, and related workloads have also increased due to the increase in the building industry activity, the City has decided to increase the number of FTE's by 14.96% (73.48 FTE's) in all departments since

FY 2012. A 10.84% (45.17) increase in FTE's in the General Fund and a 988% (9.88) increase in FTE's in Road and Park District 1 funds which are primarily supported by non-tax revenues. These were the first increases in a number of years, which equates to a 13.73% (68.19 FTE) increase over this 10-year period, while the City's population is estimated to have increased 0.91% during this same period of time. Please note that 23 of the new FTE's in FY 2013 were transferred to the City from the County Planning Offices (along with their own funding streams). If these FTE's were backed out of this calculation, (as they are predominantly self-supporting), the actual growth of new FTE's would be 5.32% compared to the population increase of 0.91% over the last 10 years.

One of the principal challenges continually facing the City is the on-going financial obligation of new employees necessary to meet the service demand that accompanies the growth of the City. All indications are that the growth Missoula has experienced in the past will continue for the foreseeable future.



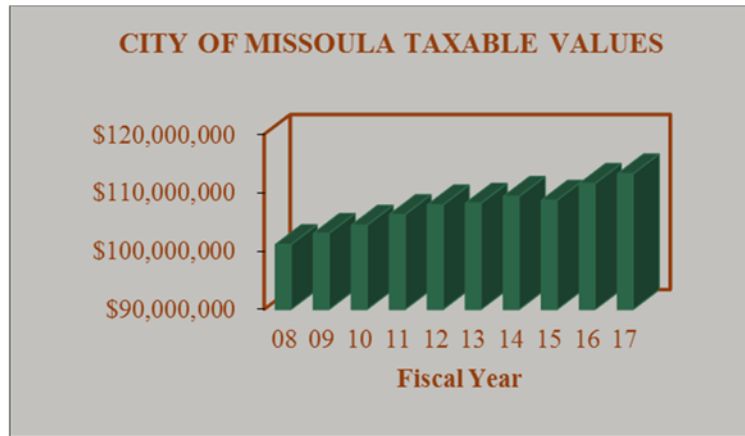
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As a general rule, all real and personal property in the State of Montana is subject to taxation by the State. In addition to taxation by the State, its counties, municipalities and other political subdivisions have the ability to levy taxes. This rule is subject to exceptions in the case of specified classes of exempt property. Property is classified according to its use and character. The different classes of property are taxed proportionately based on their

market valuation. Property valuations are based on comprehensive appraisals of all taxable property and is performed by the Department of Revenue each year. The Department of Revenue certifies market and taxable values to each city on or before the 1st Monday in August. The trend of the City of Missoula’s market value is shown by the graph above. As reflected by the graph, the City’s market value has increased from \$3.369 billion in FY 2008 to \$7.391 billion in FY 2017, for a 119.35% increase over this period. The market value of property in the City reflects the rapid growth the City is experiencing. The graph of taxable values that follows reflects the City’s ability to raise general tax revenue necessary to support the growing demand for government services.

The taxable value for property is determined by applying a statutorily established percentage ratio to the market value of the property, according to its property classification. The applicable ratio for most commercial and residential real properties is currently approximately 2.6%. Shown on the right is a history of the City’s actual taxable value since 2008. The increase in taxable values does not coincide with the increase in market values



because of adjustments to the percentage ratio by the Montana Legislature and by changes in tax policy implemented through property tax amendments. The adjustments by the Legislature were designed to prevent local taxes from increasing at the same rate as property values. The taxable values (as opposed to market values) more accurately reflect the ability of the City to increase tax revenues. As illustrated in the graph, the City’s taxable value increased from \$101.090 million to \$113.132 million from 2008 to 2017, an increase of only 11.91%, which is well less than half the increase in the market value of the same property. In recent years, the State has been placing a large restriction on the percentage of newly taxable values as compared to years past. As indicated in FY 2008 the taxable value was \$103,000 and in the current year the taxable value is \$118,000, an increase of \$15,000. In FY 2008 the inflation factor provided by the State was 1.535% and this resulted in an additional \$720,000 in revenue, without raising taxes. Compared to the current year, the State restricted inflation rate is 0.500%, which resulted in an anemic increase in revenues of \$429,000 without raising taxes. With the restrictions on the ability to leverage annual growth from the State, it has made it difficult to fund projects and new requests that are sorely needed, without finding creative funding sources or other avenues of revenue.

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SHORT TERM INITIATIVES – MAJOR ISSUES & SOLUTIONS

1. The FY 2017 budget, as adopted, was brought to Council four weeks later than in many previous years, as were the FY 2013 – FY 2016 budgets. The calculated additional property tax impact for the current fiscal year is 3.83% for City taxes and City-wide Road and Park District assessments, which is estimated to be approximately \$26.67 per year for a home with a market value of \$270,000.
2. The FY 2017 budget includes 2% increases for Planning, Fire, Special Events, Business Licenses and Development Services. Building Inspection fees are being held at the current level for this year. The 2% increases in these areas as of service will not take effect until January 1, 2017. Seven years ago, the City chose not to increase any City fees. At that time the decision to not increase the fees had a negative effect on the fund balance, as it was reduced due to increased administrative costs associated with operating these programs, because there was not additional revenue to cover the administrative cost increases. This year (FY 2017) as well as in the past four years (FY 2012 – FY 2016), based off the experience in FY 2011, and the continuation of increased costs annually, fees have been increased by 2-3% each year in the Business Licensing, Development Services and Planning areas.
3. The actual level of new tax revenue from growth in the City's tax base for the current fiscal year (FY2017) is \$429,000. This compares to growth in past five fiscal years of \$452,529 for FY 2016; \$195,197 for FY 2015; \$299,612 for FY 2014 and \$271,813 for FY 2013. The City has budgeted for inflationary trending of property taxes allowed by state law (\$124,594).
4. City property taxes were raised to support the increased expenses of the General Fund and in the city-wide assessments supporting expanded service in the Special Road and Park Districts. General Fund tax increases also relate to the City continuing to honor its union contracts. During the heart of the recession [FY 2008 – FY 2011] the City cut overall expenditures by 11% and reduced the workforce by 22 FTE's. Aside from the proposed salary increases for union and non-union staff in during that time and through the last fiscal year (FY 2016), virtually no new tax funded requests were proposed or approved due to the limited growth in taxes, except for several mandatory expenses such as costs associated with elections that occur in alternating budget years and the mandated Department of Justice agreement related to handling cases that involve rape. On the expenditure side, the largest expense is wages and benefits. Roughly 78% of the General Fund budget is devoted to personnel costs. After the recession, the City started to experience growth and stable revenues and alternative funding sources, administration started to entertain the idea of adding FTE's into core and essential services. Between FY 2012 and FY 2016, 51.46 FTE's were added to the City. Of the 51.46 FTE's, 23 of them were transferred over from the County when the City assumed the responsibilities related to permit review, planning the transportation. Not counting the FTE's added for consolidating City and County offices, essential services added 31.46 FTE's. More than half, 19.10 were added in the function of public safety. The two main departments are the Police [15.00 FTE] and Municipal Court [4.10 FTE]. The remaining FTE's are assigned in the Central/Internal services [7 FTE] and recreation [5.36 FTE].
 - Property taxes were not increased for support of the City's Health Plan, as the plan has performed better in the last two fiscal years. Prior to FY 2010, the City's Health Plan had consistently built fund balance for six consecutive years, and had \$2.3 million in surplus at the beginning of FY 2010. However, in FY 2010 and FY 2011, extraordinary claims and medical inflation reached their highest levels in over a decade, driving the fund balance down to about \$1.0 million at the end of FY 2010 and negative \$336,000 for the end of FY 2011. The City recommended that the funding of the health plan be increased by \$65 per employee per month (\$315,000 per year) for FY 2011. The Administration increased the City's contribution by \$132 per month per employee for FY 2012. Employees were asked to increase an equivalent of \$75 per employee per month to the plan in FY 2012. In addition to increased contributions the general fund transferred additional money into the fund every year starting in FY 2012 through FY 2015. In FY 2016 the transfers from the General Fund was reduced to the FY 2011 level with the anticipation of maintaining and/or growing the fund balance. The decline in fund balance was reversed in FY 2012 and fund balance has increased every year, however this past fiscal year, there was unforeseen increase in charges to the plan. With the implementation of the Affordable Care Act (ACA) or Obamacare, prescriptions are now

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included in the deductible calculation, resulting in an increase in the charges to the Health Plan. Even with this unexpected increase in health fund costs, the final fund balance for FY 2015 is a positive \$800,000. The City has also been focused on identifying ways to cut costs within the Health Plan utilizing the assistance of the plan's third party administrator, Allegiance.

5. Assessments were increased in the newly created Road Special Maintenance District, as the City attempts to increase the level of service delivery in this core area of service. Special Districts (Missoula has Road and Park Districts) are in place throughout Montana. Per the request of the City Council, the FY 2015 budget included a significant Road Special District funding increase of \$200,000 associated with additional annual support for the startup of a sidewalk support program that was initiated in FY 2014 with the goal to increase the amount of sidewalk projects initiated in the upcoming years. The FY 2017 commitment is \$465,480 of City support. The increased Special Road District assessments is identified as adding 0.17 FTE in order to move an employee from 0.83 FTE to full time and for the payment of the South Ave Right-of-Way judgement and to acquire right-of-way along South Ave. The Park District assessments are used to support conservation lands, routine maintenance parks, median-greenway maintenance, urban forestry, spray decks, and maintenance and operational support of the new Fort Missoula Regional Park set to open in the fall of FY 2017.
6. Standard & Poor's and Moody's, our ratings agencies, recently completed an updated review of many of our City credits. All of the City's credits were re-affirmed and sustained, which is a very positive factor while two credit ratings were increased by Standard and Poor's:
 - a. The City's GO Bond rating was increased from AA- to AA+
 - b. The City's General Fund Obligation Bonds from A+ to AA

One of the areas of concern in prior reviews was that a number of revenue streams that support General Fund functions had been allowed to accumulate balances outside of the General Fund and, to some extent, outside of the City's direct oversight. Many of these funds are now accounted for within General Fund during this budget process and will be kept under administration review and oversight going forward. The purpose and intent will not change for these revenue streams, but they will no longer be allowed to accumulate outside of the General Fund and will be managed more closely by the administration in the future. Standard & Poor's also recommended that future budgets plan to increase the General Fund year-end unassigned fund balance to 7% of the General Fund expenditures per the City's adopted financial policy. This has been accomplished since the end of FY 2013.



7. Funding anticipated from HB124 (city entitlement from the State of Montana) is projected at \$8,072,398 for FY 2017, an expected increase of \$713,812 over FY 2016. State legislation reduced the entitlement share pool for FY 2016 to "Appropriate emergency money for new or expanded mental health crisis intervention" per HB33. The entitlement is back to normal funding in FY 2017.
8. The Building Inspection Fund is recovering nicely as economic conditions continue to improve in the construction portion of the Missoula economy. The Building Inspection Division had previously reduced the staffing by four positions several years ago, Facility and Vehicle Maintenance has taken on the responsibility of maintaining and determining the replacement schedule and costs for the inspector's vehicles and there was a recent upgrade to the permitting system software, a cost that has generated many benefits to both the building community and City staff. The Building Inspection Division has been able to maintain its staff since there was an increase in its staffing by 1 FTE in FY 2016.
9. Impact fees are budgeted conservatively and are anticipated to generate approximately \$1,200,000 of revenue for FY 2017, over \$1.18 million were received in FY 2016 illustrating the uptick in construction seen across the City.

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10. The City is permitted to levy what is necessary to fund voter-approved General Obligation (GO) Bond debt service. In FY 2017, the City will maintain the levy to cover the bond payments (14.02 mills in FY 2017).
11. General Fund support for the City's Capital Improvement Program will be of \$1,330,841 for FY 2016, compared to \$1,084,565 in FY 2016. In FY 2017, CIP support includes the required General Fund fixed payments plus the scheduled General Fund vehicle and equipment replacements. In addition to the vehicles and equipment, some of the notable projects are the MAM Art Park, Construction Project Assessment Program, several Police expansion and storage projects, Wayfinding Project PH II and installation/implementation of new Recreation Software. The City Administration, in conjunction with all City offices, has developed a long-term (20-year) equipment replacement schedule that addresses the fact that the equipment replacement needs are more than \$2 million greater in the first five years (FY 2009-2014) than in the following five years. Six years ago, the City proposed to smooth out this wave of deferred equipment replacement by financing the equipment scheduled for replacement over successively shorter time frames in the future. This allows equipment to provide better service to residents during fiscally constrained times such as these. There are many Non-General Fund CIP projects that were not affected by the extremely tight funding in the General Fund these past years.
12. The General Fund baseline budget appears to be adequate for the new fiscal year for both fuel and energy costs. The City adopted the Conservation & Climate Action plan which outlines a strategic path to an overall goal of carbon neutrality for municipal operations by 2025. The strategies are organized into three main focus areas of operations: Fleet and Facilities, Internal Policies and Practices and Renewable Energy and offsets. Strategies to meet the goals of the Conservation and Climate Action plan include adding GPS units to the rolling fleet to improve efficiency and reduce fuel consumptions/costs. The City is in the infant stages of the All-In-One recycling pilot, which involves, City Hall, Council Chambers, Street Division and Facility and Vehicle Maintenance. Another strategy is performing a solar study to gather information about installing solar cells to City facilities to reduce the dependence on purchasing electricity from vendors.
13. This General Fund budget includes cost of living increases of approximately 2% for non-union staff. All union contracts were negotiated and approved in FY 2016. On average, there is a negotiated 3% raise to union staff.
14. No inflation assumptions for operating supplies or purchased services were accepted into the budget, unless a pre-existing contract for service allowed for a scheduled increase in FY 2017.
15. The program enhancements allowed in the FY 2017 budget are detailed in the appendix.
16. The economic factors driving the budget development are discussed below in the next section of the budget message.

ECONOMIC FACTORS

- University of Montana economist, Patrick Barkey, has forecast that Montana's economic growth will be around the 3.2% range, which continues an improvement that began in 2014. Patrick Barkey has also projected that the Montana economy will outperform the national economy this next year.
- Missoula continues to adjust from the housing downturn and the recession and continues a slow growth. This slow growth is due to the construction industry is still lagging behind other areas and the wood and paper products that was a staple to the economy has all but dissipated. Missoula is also competing with outlying townships and cities as a trade center. Area residents are less likely to travel to Missoula to shop, as they did in the past. Despite this, Missoula is now starting to come around to a positive and favorable growth. To quote Todd Morgan, director of forestry industry research at BBER at the 41st annual Economic Outlook Seminar:

"The outlook in Missoula is the best statewide," Morgan said. "It's very positive. Half of the firms here said they expect to increase employment, and 56 percent of firms said they expect to make a major capital improvement in 2016, and nearly half did last year."

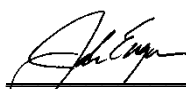
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- The Missoula Economic Partnership, a public-private economic development organization, opened its doors in June 2011 and is fielding calls from a variety of fronts for business relocation, granting activity, expansion assistance and more. Since the Partnership has opened its doors, the Missoula employment market has enjoyed an increase of 750 jobs. These jobs center around basic industries, such as computer based technologies, manufacturing and health services.
- All of these factors were considered in preparing the City of Missoula's budget for the 2017 fiscal year. The decline in revenues in FY 2009 through FY 2012, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses) has reversed and these revenues have been increasing each year since FY 2012.
- Sewer utility rates were increased modestly (2.5% per year) for the next three years beginning in FY 2016 to accommodate an upgrades and expansion of the administrative and laboratory space. This is also taking into account increasing the capacity of sanitary sewer pipelines and pump stations to accommodate the growth and residential construction that is being planned for in the South Hills and Miller Creek areas. The City has continued to grow in population and in new sewer connections at a rate of approximately 1.5% per year, even though that growth was offset by a slowdown in the commercial and industrial sewer accounts in FY 2009. In FY 2010, the decline in revenue had reversed and the sewer revenues began to grow again in the industrial and commercial billings. The residential component of our utility billing has always grown, even during the recession. With this growth, the sewer fund has been able to continue to build the fund balance to accommodate future projects, however the growth for the past couple of years is not adequate to cover the necessary and requested upgrades to the sewer treatment plant and sewer infrastructure therefore the modest increase in rates by 2.5%. In FY 2017, the City is contemplating the purchase of the composting operations that is adjacent to the treatment plant also known as Eko Composting.

**Closing**

We hope the information contained in the FY 2017 Final Budget is of benefit to all interested parties. In closing we want to tell the public that we made dramatic changes in the budget process starting in FY 2008 that continued through the current budget process. We have been actively pursuing a Performance Based Budget process since FY 2008. We strongly encourage each and every person using city services to inform us of their ideas, level of satisfaction and problems.

Respectfully,



John Engen, Mayor

RECOMMENDED BUDGET PRACTICES

The City of Missoula is striving to incorporate the recommended practices promulgated by the National Advisory Council on State and Local Budgeting (NACSLB) in its annual budget.

The NACSLB was created to provide tools for governments to improve their budgeting processes and to promote their use. The NACSLB focuses on long-term financial planning and encourages governments to consider the longer consequences of actions to ensure that impacts of budget decisions are understood over a multi-year planning horizon and to assess whether program and service levels can be sustained. Practices encourage the development of organizational goals, establishment of policies and plans to achieve these goals, and allocation of resources through the budget process that are consistent with goals, policies and plans. There is also a focus on measuring performance to determine what has been accomplished with scarce government resources.

Following are excerpts of the NACSLB's budget practice recommendations.

BUDGET DEFINITION

The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.

A good budget process is characterized by several essential features.

- Incorporates a long-term perspective
- Establishes linkages to broad goals
- Focuses budgeting decisions on results and outcomes
- Involves and promotes effective communication with stakeholders
- Provides incentives to government management and employees

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

MISSION OF THE BUDGET PROCESS

The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process. Communication and involvement with citizens and other stakeholders is stressed. Communication and involvement are essential components of every aspect of the budget process.

PERFORMANCE BUDGETING

The City of Missoula is moving to a Performance Budgeting approach for the development of its annual operating budget. Performance budgets emphasize the accomplishment of program objectives as opposed to a description of what is going to be purchased by the government.

Performance budgeting involves a shift away from a debate by the City Council of what is going to be purchased toward a debate regarding what is going to be accomplished.

The City of Missoula is in the early stages of its Performance Budgeting efforts. Each department is in the process of identifying performance objectives, identifying and tracking workload indicators, and establishing quantifiable performance measures. It is anticipated that it will take 3 – 5 years to fully implement the performance budgeting system.

FINANCIAL TREND ANALYSIS

The budget process begins in the winter with the initial updating of the five-year financial trend analysis for the City as a whole.

Using the latest fiscal, operational, and legislative information, the finance office staff works collaboratively with city departments to update the city's most recent financial trend analysis.

The financial trend analysis assists the City Council and the city administration in focusing on the "Big Picture" of the city's financial operations.

NEEDS ASSESSMENT PHASE

Late Winter – Early Spring

Departments have an opportunity to assess current conditions, programs, and needs. Examination of current departmental programs or positions for possible trade-offs, reduction, or

BUDGET PROCESS

elimination is strongly suggested. During this phase, departments are encouraged to thoroughly review all programs and services, assessing their value and priority to the citizens. At the same time, departments are asked to submit requests for new or expanded programs. The first proposals submitted for review are those capital requests that fit within the City's five-year capital improvement program.

From this process, they prepare their preliminary departmental budgets.

BUDGET DEVELOPMENT AND PRIORITIZATION PHASE

The Finance Department compiles and tabulates the budgetary information submitted by the individual departments and begins the preparation of the preliminary budget in cooperation with the Mayor, City Administrator and the City's CIP and operating budget teams. The needs of the city departments are weighed against projected funds available and a determination must be made as to which services will be included in the final budget. The operating budget includes proposed expenditures and the means of financing them. All capital and operating new requests are scored and ranked by the CIP and operating budget teams.

Within the framework of the City's financial capacity, City Council priorities and departmental needs assessments, budget requests are reviewed and a preliminary City operating budget takes shape.

The purpose of the preliminary budget is to enable the community, stakeholders and the City Commission to comment on a balanced budget well before it is adopted.

CAPITAL IMPROVEMENTS PROGRAM (CIP) AND ITS RELATIONSHIP TO THE OPERATING BUDGET

The City of Missoula prepares a Capital Improvement Plan (CIP) document separate and apart from the Annual Operating Budget. Unlike the Annual Operating Budget, the CIP is a multi-year capital improvements plan that forecasts, but does not obligate, future spending for all anticipated capital projects.

Whenever the City commits to a CIP plan, there is an associated long-range commitment of The amendment, supporting documents and drafted resolution is presented to the Council for

operating funds. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact. Most capital projects affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs or by providing capacity for new programs to be offered. Such impacts vary widely from project to project and, as such, are evaluated individually during the process of assessing project feasibility.

The multi-year, long-range fiscal analysis also provides an opportunity to review the operating impact of growth-related future capital projects.

ADOPTION/IMPLEMENTATION PHASE

Public hearings are conducted to enable citizens and other interested parties to comment on the proposed budget. Following the public hearings, the City Council may modify the proposed budget or may adopt it without changes.

The budget and the corresponding property tax mill levy must be adopted by the 3rd Monday in August or within 45 days of receiving certified taxable values from the Department of Revenue.

Management control of the budget is maintained by monthly revenue and expenditure reports, whereby departments are able to compare actual results to the budget throughout the fiscal year. In addition, the Finance Director prepares quarterly budget reviews on a city-wide basis, with presentations to the City Council at a public meeting. These budget reviews are aimed at examining expenditure patterns, and recommending corrective action to be taken during the year.

AMENDING THE BUDGET

The City's budget may be amended during the course of the year, following public notice, a public hearing, and a majority vote of the City Council. The requesting department is responsible for preparing the budget amendment and supporting documents. The proposed amendment and supporting documents are reviewed by the Finance Department for accuracy and completeness. After Finance reviews and approves the amendment, a budget amendment resolution is drafted and presented along with the amendment and supporting documents to the City Council at a duly noticed public meeting.

BUDGET PROCESS

review, if approved, a formal public notice is forwarded to the newspaper, setting the date, time, reason, and funding source for the proposed budget amendment. At the public meeting the Council hears a staff report from the pertinent department amendment. Following the staff report, and Council discussion, the meeting is opened up for public input. The City Council considers the Resolution and may approve, amend, table, or deny the Budget Amendment. The annual appropriations and transfers for various departments are controlled and monitored for budgetary compliance at the fund level. Management does not make transfers of appropriations or over-expend appropriations at the department level within a fund without approval of the City Council

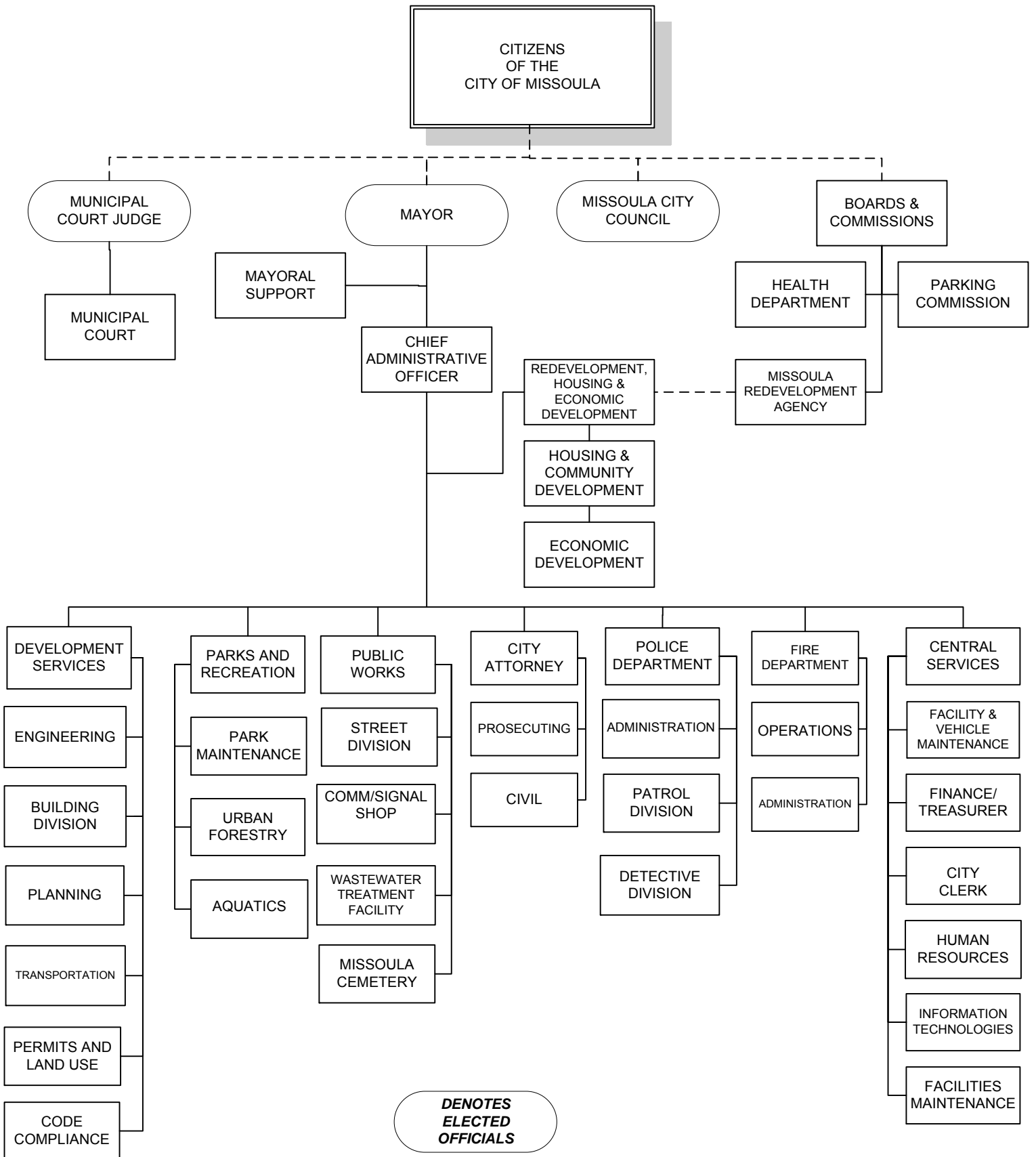
BUDGET PROCESS

THE BUDGET TIMELINE

January	<p>The Finance Department prepares year-end working capital (cash), estimates revenue for the coming year, and adjusts current year budget to project next year's needs.</p> <p>Information is presented to the City Administration and Budget Team.</p> <p>The Capital Improvement Program is initiated for next fiscal year with a press release notifying the public and a workshop scheduled for all City supervisory staff.</p>	June	<p>The City Council continues to take comment on the budget at the public hearings which are held open until the budget is adopted.</p> <p>The tax levies are estimated and proposed based on reasonable assumptions concerning the economy.</p> <p>The City Council adopts the budget resolution setting the appropriations.</p>
February	<p>The Finance Department analyses and assimilates proposed capital improvement project (CIP) revenues and expenditures.</p> <p>A Budget/CIP workshop is held with all supervisory staff.</p> <p>Revenue estimates are made along with salary adjustment parameters and costs for all budgets.</p>	July	Waiting to receive final tax values from the State Department of Revenue.
March	<p>The CIP Budget Team meets with all Departments that submitted a CIP request and reviews the scoring of all requests.</p> <p>The Preliminary CIP Budget is referred to the Missoula City Council A&F committee to review all new requests approved for inclusion.</p> <p>The Operating Budget Team meets with all City Departments. All funding streams are reviewed and requests are discussed.</p>	August	<p>Final budget documents are published on the City website either in August or September.</p> <p>Tax levies are set based on the receipt of taxable value certification from the State Department of Revenue.</p> <p>On-going review and monitoring of current year budget.</p>
April	<p>The A&F committee continues to review the new CIP requests weekly until completed.</p> <p>The Mayor and Budget Team continue meeting with Department Heads and staff to discuss the proposed preliminary budget.</p> <p>Budget appeals are heard by the Mayor, CAO and Finance Officer.</p> <p>The preliminary budget is referred to the Missoula City Council Budget Committee of the Whole for discussion. Public Hearings are scheduled.</p>	September	<p>On-going review and monitoring of current year budget.</p> <p>Preparations are made for the coming year.</p>
		October	<p>On-going review and monitoring of the current year budget.</p> <p>Preparations are made for the coming year.</p>
May	<p>The preliminary budget is presented and the Budget Committee of the Whole begins meeting weekly with City departments and outside agencies who are requesting funding.</p> <p>The public hearing is kept open until the budget is adopted in June.</p> <p>Finance Department updates preliminary budget as needed.</p>	November	<p>On-going review and monitoring of the current year budget.</p> <p>Preparations are made for the coming year.</p>
		December	<p>On-going review and monitoring of the current year budget.</p> <p>Preparations are made for the coming year.</p>



FY17 Citizens of The City of Missoula



CITY OF MISSOULA BUDGET INCREASES FOR FY 2017

REQUESTED AND FUNDED OPERATING BUDGET INCREASES								
Department	Ranking	Amount	High-Funded	Medium-Not Funded	Low-Not Funded	One-Time Costs	Ongoing Costs	Non-Budgeted Revenues Funded
General Fund								
City Council:								
Council Furniture	1	10,565	-	10,565	-	10,565	-	10,565
Sub-total		10,565	-	10,565	-	10,565	-	10,565
Mayor:								
Legislative Services	1	33,000	33,000	-	-	33,000	-	22,000
Sub-total		33,000	33,000	-	-	33,000	-	22,000
City Clerk:								
Office Supplies	1	2,591	2,591	-	-	2,591	-	2,591
Neighborhood Office Training	2	550	-	550	-	-	550	-
Sub-total		3,141	2,591	550	-	2,591	550	2,591
Municipal Court:								
Assistant Judge	1	63,476	63,476	-	-	4,242	59,234	63,476
Sub-total		63,476	63,476	-	-	4,242	59,234	63,476
Finance Department:								
Impact Fee Study	1	74,000	74,000	-	-	74,000	-	74,000
Cost Allocation Fee Study	2	65,000	65,000	-	-	65,000	-	42,250
Utility Billing Clerk	3	49,057	49,057	-	-	1,388	47,669	49,057
Sub-total		188,057	188,057	-	-	140,388	47,669	165,307
Central Services Department:								
Franchise Legal Services	1	50,000	50,000	-	-	50,000	-	50,000
Metrics & Benchmarking	2	40,000	40,000	-	-	40,000	-	30,000
Sub-total		90,000	90,000	-	-	90,000	-	80,000
Development Services Department:								
Building Design Standards/Guidelines	1	160,000	160,000	-	-	110,000	50,000	135,000
Sub-total		160,000	160,000	-	-	110,000	50,000	135,000
Attorney:								
RVS/Crime Victim Advocate COLA	1	1,838	1,838	-	-	-	1,838	1,838
Healthy Relationship Coordinator COLA	2	780	780	-	-	-	780	780
Sub-total		2,618	2,618	-	-	-	2,618	2,618
Public Works - Operations:								
Snow Removal Overtime for Traffic Service	1	1,433	1,433	-	-	-	1,433	1,433
Sub-total		1,433	1,433	-	-	-	1,433	1,433
Facilities & Vehicle Maintenance:								
BOC Incentive Pay	1	1,040	1,040	-	-	-	1,040	1,040
Air Conditioning Machine	2	8,000	-	8,000	-	8,000	-	8,000
1/4 FTE Administrative Asst.	3	10,358	-	10,358	-	-	10,358	-
Facilities Maintenance Worker	4	52,121	-	52,121	-	-	52,121	-
Sub-total		71,519	1,040	70,479	-	8,000	63,519	9,040
Police:								
Special Teams	1	12,787	12,787	-	-	7,227	5,560	12,787
Professional Services	2	8,256	8,256	-	-	-	8,256	8,256
Misc. Investigation Officers 2 FTE	3	127,283	127,283	-	-	17,340	109,943	127,283
Community Service Specialists - 2 FTE	4	59,959	-	59,959	-	9,424	50,535	-
Uniform Issue	6	2,400	-	2,400	-	-	2,400	-
Overtime	N/A-1	46,000	46,000	-	-	-	46,000	46,000
Training & Travel	N/A-2	4,700	-	4,700	-	-	4,700	-
Sub-total		261,385	194,326	67,059	-	33,991	227,394	194,326

REQUESTED AND FUNDED OPERATING BUDGET INCREASES (Cont'd)								
Department	Ranking	Amount	High-Funded	Medium-Not Funded	Low-Not Funded	One-Time Costs	Ongoing Costs	Non-Budgeted Revenues Funded
General Fund								
Fire:								
ROCO Training	1	10,000	-	10,000	-	10,000	-	-
Reimbursed Overtime	N/A-1	628,912	628,912	-	-	628,912	-	628,912
Sub-total		638,912	628,912	10,000	-	638,912	-	628,912
Cemetery:								
Overtime increase for S&S	1	2,500	-	2,500	-	2,500	-	-
Plotter	2	5,000	5,000	-	-	5,000	-	5,000
Sub-total		7,500	5,000	2,500	-	7,500	-	5,000
Grants and Community Program:								
GCP COLA & Benefits	1	4,109	4,109	-	-	-	4,109	4,109
Sub-total		4,109	4,109	-	-	-	4,109	4,109
City/County Health Department								
Health Dept. - COLA	1	64,640	64,640	-	-	-	64,640	64,640
Animal Control - COLA	2	16,359	16,359	-	-	-	16,359	16,359
Add Animal Control Officer	3	78,309	29,107	49,202	-	35,500	42,809	29,107
Smart phones for Field Professionals	4	7,987	-	7,987	-	-	7,987	-
Sub-total		167,295	110,106	57,189	-	35,500	131,795	110,106
Non-Departmental								
Director - Housing Office	1	52,000	52,000	-	-	-	52,000	52,000
Skill/Competency Based Pay	2	67,964	67,964	-	-	-	67,964	67,964
Minimum Wage Initiative	3	1,725	1,725	-	-	-	1,725	1,725
Sub-total		121,689	121,689	-	-	-	121,689	121,689
Community Based Organizations								
BREDD		30,000	-	30,000	-	30,000	-	-
Fourth D Club		12,000	-	12,000	-	12,000	-	-
International Choir Festival		12,000	12,000	-	-	12,000	-	12,000
Missoula Cultural Council		116,000	116,000	-	-	116,000	-	116,000
CDRC		7,200	7,200	-	-	7,200	-	7,200
City Band		5,880	5,880	-	-	5,880	-	5,880
Community Service		68,400	68,400	-	-	68,400	-	68,400
MRTMA		10,780	10,780	-	-	10,780	-	10,780
Volunteer Missoula		10,000	10,000	-	-	10,000	-	10,000
Partnership Health Center		42,532	42,532	-	-	42,532	-	42,532
Neighborhood Ambassador		10,000	10,000	-	-	10,000	-	10,000
Missoula Economic Partnership		100,000	100,000	-	-	100,000	-	100,000
Sub-total		424,792	382,792	42,000	-	424,792	-	382,792
General Fund Special								
1241 Cemetery Cremain Wall								
Columbarium Cremation Wall	1	90,000	90,000	-	-	90,000	-	90,000
Sub-total		90,000	90,000	-	-	90,000	-	90,000
1242 Cemetery Care Fund								
Mow er	1	45,000	45,000	-	-	45,000	-	45,000
Plotter	2	15,000	15,000	-	-	15,000	-	15,000
Sub-total		60,000	60,000	-	-	60,000	-	60,000
1219 Fort Missoula Regional Park:								
Operations	1	294,707	-	-	-	-	294,707	73,677
Recreation	2	131,815	-	-	-	-	131,815	95,051
Sub-total		426,522	-	-	-	-	426,522	168,728
General Fund & General Fund Special Total		2,826,013	2,139,149	260,342	-	1,689,481	1,136,532	2,257,692

REQUESTED AND FUNDED OPERATING BUDGET INCREASES (Cont'd)								
Department	Ranking	Amount	High-Funded	Medium-Not Funded	Low-Not Funded	One-Time Costs	Ongoing Costs	Non-Budgeted Revenues Funded
NON-GENERAL FUND REQUESTS								
Road District 1:								
Special Services	1	1,543	-	1,543	-	1,543	-	1,543
Pavement Assessment	2	150,000	-	150,000	-	75,000	75,000	150,000
Labor/Operators	3	62,330	23,374	38,956	-	-	62,330	62,330
ADA Ramps & Sidewalks	4	140,000	-	140,000	-	-	140,000	140,000
Street Lights Maintenance	5	30,000	-	30,000	-	-	30,000	30,000
South Ave ROW Litigation		415,156	91,949	323,207	-	323,207	91,949	91,949
Sub-total		799,029	115,323	683,706	-	399,750	399,279	475,822
Park District 1:								
Business Manager	1	80,631	-	80,631	-	2,265	78,366	10,075
Conservation Lands Trailhead & Trails	2	24,829	15,000	9,829	-	-	24,829	24,829
G & H Supplies and Contracts	3	80,073	20,000	60,073	-	-	80,073	20,000
New Playground Maintenance	4	19,530	-	19,530	-	14,000	5,530	19,530
Urban Forestry Staffing	5	85,631	39,301	46,330	-	-	85,631	39,301
Park Asset Management Staffing	6	11,015	-	11,015	-	-	11,015	-
Community Service Specialist	7	114,947	-	114,947	-	54,827	60,120	-
Park Master Plan Update	8	80,000	-	80,000	-	80,000	-	16,000
City-wide Safety Committee Support	9	6,330	-	6,330	-	-	6,330	-
Sub-total		502,986	74,301	428,685	-	151,092	351,894	129,735
Wastewater:								
WWTP New sletter	1	5,000	5,000	-	-	-	5,000	5,000
Treatment Operating Supplies	N/A-1	100,000	100,000	-	-	-	100,000	100,000
Lab Testing	N/A-2	8,700	8,700	-	-	-	8,700	8,700
Sub-total		113,700	113,700	-	-	-	113,700	113,700
Parking Commission:								
Meter Upkeep	1	122,870	-	122,870	-	-	122,870	122,870
Grants & Contributions	2	11,000	-	11,000	-	-	11,000	11,000
Sub-total		133,870	-	133,870	-	-	133,870	133,870
Non-General Fund Total		1,549,585	303,324	1,246,261	-	550,842	998,743	853,127
Grand Total - All Funds		\$ 4,375,598	\$ 2,442,473	\$ 1,506,603	\$ -	\$ 2,240,323	\$ 2,135,275	\$ 3,110,819



CITY OF MISSOULA - FY 17 BUDGET SOURCES & USES OF FUNDS & MILL LEVY CALCULATION

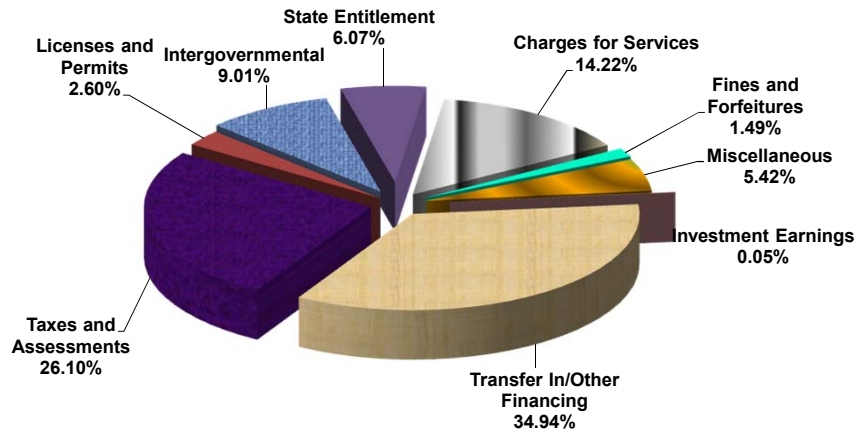
#	FUND NAME	PROPOSED USES OF FUNDS				PROPOSED SOURCES OF FUNDS				PROPOSED MILL LEVIES				
		BUDGETED EXPENDITURES	INTER-FUND TRANSFERS OUT	PROJECTED END-OF-YEAR FUND BALANCE	TOTAL FUNDS REQUIRED	ESTIMATED BEGINNING FUND BALANCE	COMMITTED EXPENDITURE SAVINGS	OTHER NON-TAX REVENUES	INTER-FUND TRANSFERS IN	PROPERTY TAX REQUIREMENTS	TOTAL SOURCES OF FUNDS	FY17 MILL VALUE = 113,132	FY16 MILL VALUE = 108,677	PERCENTAGE CHANGE FY16 TO FY17
GENERAL FUND														
	FUND BALANCES:													
	Non-spendable													
	Restricted													
	Committed													
	Assigned													
	Unassigned			3,026,657		2,867,209	1,550,000			6,225,650				
1000	GENERAL FUND 1000- ALL PURPOSE LEVY	52,881,231	2,175,371											
	GENERAL FUND 1000- SUB-TOTALS	52,881,231	2,175,371	3,026,657	58,083,259	2,867,209	1,550,000	24,060,534	6,225,650	23,379,866	58,083,259	206.66	199.26	3.71%
			55,056,602											
1211	PARK ACQUISITION AND DEVELOPMENT	243,228	-	325,879	569,107	325,879	-	243,228	-	-	-	-	-	-
1212	PARK ENTERPRISE	330,565	-	317,721	648,286	423,186	-	225,100	-	-	-	-	-	-
1216	PARKS & REC TRAILS FORESTRY LANDS MEMORIALS	648,100	-	492,118	1,140,218	492,118	-	638,100	10,000	-	-	-	-	-
1217	PARKS CITY LIFE GYM LEASE	44,000	-	33,453	77,453	32,203	-	45,250	-	-	-	-	-	-
1218	ALL ABILITIES PLAYGROUND		-			(11,387)	-	11,387	-	-	-	-	-	-
1219	FORT MISSOULA REGIONAL PARK	359,204	-	-	359,204	-	-	195,990	163,214	-	-	-	-	-
1241	CREMAN WALL & CEMETERY DONATIONS	2,500	-	85,828	88,328	83,328	-	5,000	-	-	-	-	-	-
1242	CEMETERY CARE	70,000	-	243,785	313,785	238,785	-	75,000	-	-	-	-	-	-
1243	CEMETERY MEMORIAL	500	-	8,490	8,990	7,490	-	1,500	-	-	-	-	-	-
1265	TITLE I PROJECTS	146,924	-	70,000	216,924	146,924	-	70,000	-	-	-	-	-	-
1396	PROGRAM INCOME REVOLVING LOAN PROGRAM	62,439	-	22,181	84,620	77,620	-	7,000	-	-	-	-	-	-
1397	STATE HOME PROGRAM INCOME	600,000	-	80,112	680,112	493,177	-	186,935	-	-	-	-	-	-
	OTHER GENERAL FUND ACCOUNTS- SUB-TOTALS	2,507,460	-	1,679,568	4,187,028	2,309,324	-	1,704,490	173,214	-	4,187,028	-	-	-
						629,756			1,877,704					
	GRAND TOTAL ALL GENERAL FUND ACCOUNTS	55,388,691	2,175,371	4,706,224	62,270,286	5,176,533	1,550,000	25,765,024	6,398,864	23,379,866	62,270,286	206.66	199.26	3.71%
SPECIAL REVENUE FUNDS														
2250	PLANNING DEPARTMENT FUND	453,685	-	-	453,685	35,204	-	334,657	83,734	-	-	-	-	-
2210	PUBLIC SAFETY INFORMATION SYSTEMS	-	-	48,000	48,000	24,000	-	18,000	6,000	-	-	-	-	-
2321	IMPACT FEE	2,326,000	76,265	3,204,812	5,607,077	4,407,077	-	1,200,000	-	-	-	-	-	-
2322	GEORGE ELMAR - CATTLE DRIVE	15,000	-	-	15,000	-	-	15,000	-	-	-	-	-	-
2365	PUBLIC ART	26,320	-	-	26,320	16,225	-	10,095	-	-	-	-	-	-
2371	EMPLOYEE HEALTH INSURANCE LEVY	-	4,525	-	4,525	-	-	-	4,525	-	0.04	0.04	0.00%	-
2372	EMPLOYEE HEALTH INSURANCE LEVY (OUTSIDE CAP)	-	4,774,150	-	4,774,150	-	-	-	4,774,150	-	42.20	39.49	6.86%	-
2389	CABLE TELEVISION FRANCHISE	449,855	301,433	105,528	856,816	120,816	-	736,000	-	-	-	-	-	-
2390	DRUG FORFEITURE	17,800	-	3,693	21,493	4,693	-	16,800	-	-	-	-	-	-
2394	BUILDING INSPECTION	1,448,736	-	1,781,827	3,230,563	1,640,591	-	1,589,972	-	-	-	-	-	-
2395	CITY GRANTS & PROGRAM INCOME	2,105	-	3,657	5,762	3,657	-	2,105	-	-	-	-	-	-
2396	ENERGY EFFICIENCY & CONSERVATION LOAN	-	-	-	-	-	-	-	-	-	-	-	-	-
2399	DANGEROUS BUILDING DEMOLITION REPAIR	15,000	-	-	15,000	-	-	15,000	-	-	-	-	-	-
2400	STREET LIGHTING ASSESSMENT	317,276	-	175,675	492,951	175,675	-	317,276	-	-	-	-	-	-
2500	STREET MAINTENANCE ASSESSMENT	21,580	41,200	41,881	104,661	41,881	-	62,780	-	-	-	-	-	-
2512	ROAD DISTRICT 1	2,092,990	-	233,169	2,326,159	680,578	-	-	1,645,581	-	14.55	#REF!	#REF!	#REF!
2513	PARKS DISTRICT 1	1,149,487	163,214	548,835	1,861,536	553,835	-	-	10,075	1,297,626	11.47	#REF!	#REF!	#REF!
2820	STATE GAS TAX	391,200	564,000	516,565	1,471,765	390,255	-	1,081,510	-	-	-	-	-	-
2918	LAW ENFORCEMENT BLOCK GRANT	100,373	-	20,940	121,313	20,940	-	100,373	-	-	-	-	-	-
2919	HDTA	140,600	-	284,380	424,980	284,380	-	140,600	-	-	-	-	-	-
2939	CDBG PROGRAM INCOME	14,383	-	13,014	27,397	13,014	-	14,383	-	-	-	-	-	-
2940	CDBG	690,143	-	8,897	699,040	8,897	-	690,143	-	-	-	-	-	-
2941	HOME	495,248	-	18,518	513,766	18,518	-	495,248	-	-	-	-	-	-
2943	CITY HOME PROGRAM INCOME	25,000	-	26,109	51,109	26,109	-	25,000	-	-	-	-	-	-
2944	NEIGHBORHOOD STABILIZATION	-	-	-	-	-	-	-	-	-	-	-	-	-
2955	TRANSPORTATION DEPARTMENT	1,231,210	-	108,620	1,339,830	(115,439)	-	1,363,283	91,986	-	-	-	-	-
2987	FEDERAL/STATE TRANSPORTATION	371,738	-	-	371,738	-	-	371,738	-	-	-	-	-	-
2988	GRANTS & DONATIONS	934,410	-	12,965	947,375	37,787	-	909,588	-	-	-	-	-	-
2989	POLICE MISC. GRANTS & DONATIONS	533,756	-	-	533,756	-	-	533,756	-	-	-	-	-	-
	SPECIAL REVENUE FUND SUBTOTALS	13,263,895	5,924,787	7,157,084	26,345,767	8,388,783	-	10,043,307	191,795	7,721,882	26,345,767	68.26	#REF!	#REF!
			19,188,683											
DEBT SERVICE FUNDS														
3091	2012A AQUATICS REFUNDING	593,785	-	-	593,785	-	-	-	593,785	-	5.25	5.33	-1.50%	-
3092	2013A REFUNDING	670,470	-	-	670,470	-	-	-	670,470	-	5.93	6.18	-4.05%	-
3096	FIRE STATION GO BOND	-	-	-	-	-	-	-	-	-	-	2.51	0.00%	-
	GENERAL OBLIGATION DEBT SUBTOTAL	1,264,255	-	-	1,264,255	-	-	-	1,264,255	-	11.18	14.02	-20.26%	-
3000	SID REVOLVING	-	100,000	616,526	716,526	616,526	-	100,000	-	-	-	-	-	-
3100	SIDEWALK AND CURB WARRANTS	-	-	-	-	-	-	-	-	-	-	-	-	-
3305	SOUTH AVE ROW - JUDGMENT LEVY	-	-	-	-	-	-	-	-	-	-	-	-	-
3430	FY04 SIDEWALK & CURB DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-
3440	FY05 SIDEWALK & CURB DEBT SERVICE	36,628	-	-	36,628	-	-	36,628	-	-	-	-	-	-
3450	FY06 SIDEWALK & CURB DEBT SERVICE	27,475	-	-	27,475	-	-	27,475	-	-	-	-	-	-
3460	FY07 SIDEWALK & CURB DEBT SERVICE	56,830	-	-	56,830	-	-	56,830	-	-	-	-	-	-
3461	FY08 SIDEWALK & CURB DEBT SERVICE	27,838	-	-	27,838	-	-	27,838	-	-	-	-	-	-
3462	FY09 SIDEWALK & CURB DEBT SERVICE	63,368	-	-	63,368	-	-	63,368	-	-	-	-	-	-
3463	FY10 SIDEWALK & CURB DEBT SERVICE	96,850	-	-	96,850	-	-	96,850	-	-	-	-	-	-
3464	FY11 SIDEWALK & CURB DEBT SERVICE	70,910	-	-	70,910	-	-	70,910	-	-	-	-	-	-
3465	FY13 SIDEWALK & CURB DEBT SERVICE	39,067	-	-	39,067	-	-	39,067	-	-	-	-	-	-
3466	FY15 SIDEWALK & CURB DEBT SERVICE	57,525	-	-	57,525	-	-	57,525	-	-	-	-	-	-
3512	SID 512 DEBT SERVICE	21,937	-	-	21,937	-	-	21,937	-	-	-	-	-	-
3520	SID 520 DEBT SERVICE	159,340	-	-	159,340	-	-	159,340	-	-	-	-	-	-
3521	SID 521 DEBT SERVICE	98	-	-	98	-	-	98	-	-	-	-	-	-
3522	SID 522 DEBT SERVICE	142	-	-	142	-	-	142	-	-	-	-	-	-
3524	SID 524 DEBT SERVICE	305,600	-	-	305,600	-	-	305,600	-	-	-	-	-	-
3525	SID 525 DEBT SERVICE	32,440	-	-	32,440	-	-	32,440	-	-	-	-	-	-
3526	SID 526 DEBT SERVICE	193,100	-	-	193,100	-	-	193,100	-	-	-	-	-	-
3530	SID 530 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-
3532	SID 532 DEBT SERVICE	40,633	-	-	40,633	-	-	40,633	-	-	-	-	-	-
3533	SID 533 DEBT SERVICE	16,875	-	-	16,875	-	-	16,875	-	-	-	-	-	-
3534	SID 534 DEBT SERVICE	17,513	-	-	17,513	-	-	17,513	-	-	-	-	-	-
3536	SID 536 DEBT SERVICE	31,544	-	-	31,544	-	-	31,544	-	-	-	-	-	-
3540	SID 540 DEBT SERVICE	121,253	-	-	121,253	-	-	121,253	-	-	-	-	-	-
3541	SID 541 DEBT SERVICE	58,098	-	-	58,098	-	-	58,098	-	-	-	-	-	-
3544	SID 544 DEBT SERVICE	139,497	-											



CITY OF MISSOULA - FY 17 BUDGET SOURCES & USES OF FUNDS & MILL LEVY CALCULATION

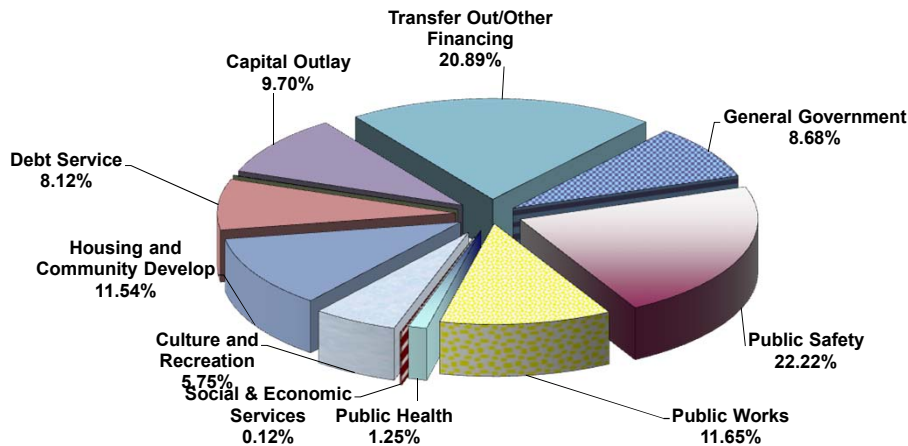
#	FUND NAME	PROPOSED USES OF FUNDS				PROPOSED SOURCES OF FUNDS					PROPOSED MILL LEVIES			
		BUDGETED EXPENDITURES	INTER-FUND TRANSFERS OUT	PROJECTED END-OF-YEAR FUND BALANCE	TOTAL FUNDS REQUIRED	ESTIMATED BEGINNING FUND BALANCE	COMMITTED EXPENDITURE SAVINGS	OTHER NON-TAX REVENUES	INTER-FUND TRANSFERS IN	PROPERTY TAX REQUIREMENTS	TOTAL SOURCES OF FUNDS	FY17 MILL LEVY - 113.132	FY16 MILL LEVY - 108.677	PERCENTAGE CHANGE FY16 TO FY17
PROPRIETARY FUNDS														
ENTERPRISE FUNDS														
5020	CIVIC STADIUM	118,723	-	1,277	120,000	-	-	120,000	-	-	120,000	-	-	-
SEWER ENTERPRISE FUNDS														
5310	SEWER OPERATING BUDGET	5,552,456	-	-	5,552,456	-	-	86,384	-	-	5,466,072	-	-	-
5311	SEWER REVENUE COLLECTION & CLEARING	-	7,963,568	-	7,963,568	-	-	7,963,568	-	-	-	-	-	-
5315	SEWER LOAN	20,000	-	-	20,000	20,000	-	-	-	-	-	-	-	-
5320	SEWER REPLACEMENT & DEPRECIATION	1,836,708	-	619,710	2,456,418	740,000	-	1,300,000	416,418	-	-	-	-	-
5325	SEWER DEVELOPMENT FEE	1,118,994	-	330,000	1,448,994	330,000	-	1,118,994	-	-	-	-	-	-
5340	SEWER CONSTRUCTION	2,517,966	-	-	2,517,966	-	-	2,517,966	-	-	-	-	-	-
5361	01 SEWER REVENUE BONDS DEBT SERVICE	30,480	-	-	30,480	-	-	-	-	-	30,480	-	-	-
5362	00 SEWER REVENUE BONDS - SERIES B DEBT SERVICE	48,480	-	-	48,480	-	-	-	-	-	48,480	-	-	-
5365	99 SEWER REVENUE BONDS DEBT SERVICE	123,600	-	-	123,600	-	-	-	-	-	123,600	-	-	-
5368	00 SEWER REVENUE BOND RESERVE	-	-	49,030	49,030	49,030	-	-	-	-	-	-	-	-
5369	01 SEWER REVENUE BONDS SERIES BOND RESERVE	-	270	31,050	31,320	31,320	-	-	-	-	-	-	-	-
5370	99 SEWER REVENUE BOND RESERVE	-	-	124,060	124,060	124,060	-	-	-	-	-	-	-	-
5371	02 SEWER REVENUE BONDS DEBT SERVICE	84,420	-	-	84,420	-	-	-	-	-	84,420	-	-	-
5372	02 SEWER REVENUE BONDS RESERVE	-	-	85,260	85,260	85,260	-	-	-	-	-	-	-	-
5373	02 SEWER REVENUE BONDS DEBT SERVICE-WWTP upg	330,810	-	-	330,810	-	-	-	-	-	330,810	-	-	-
5374	02 SEWER REVENUE BONDS RESERVE-WWTP upgrade	-	-	331,740	331,740	331,740	-	-	-	-	-	-	-	-
5375	03 SEWER REVENUE BONDS DEBT SERV.-3.8M SRF Loa	250,156	-	-	250,156	-	-	-	-	-	250,156	-	-	-
5376	03 SEWER REVENUE BONDS RESERVE-3.8M SRF Loan	-	-	251,319	251,319	251,319	-	-	-	-	-	-	-	-
5377	04 SEWER REVENUE BONDS DEBT SERV.-3.023M SRF L	243,416	-	-	243,416	-	-	-	-	-	243,416	-	-	-
5378	04 SEWER REVENUE BONDS RESERVE-3.023M SRF Loan	-	-	243,723	243,723	243,723	-	-	-	-	-	-	-	-
5379	05 BIRCH/BRDY/LIN/GIL SRF BOND DEBT SERV.	109,451	-	-	109,451	-	-	-	-	-	109,451	-	-	-
5380	05 BIRCH/BRDY/LIN/GIL SRF BOND RESERVE	-	-	110,026	110,026	110,026	-	-	-	-	-	-	-	-
5382	05 LINCOLNWOOD PHASE II SRF BOND RESERVE	-	-	-	-	-	-	-	-	-	-	-	-	-
5383	10 LOLO ST SRF BOND DEBT SERVICE-NON ARRA	30,350	-	-	30,350	-	-	-	-	-	30,350	-	-	-
5384	10 LOLO ST SRF BOND DEBT SERVICE-NON ARRA RESEI	-	-	31,440	31,440	31,440	-	-	-	-	-	-	-	-
5385	10 MSLA HEADWORKS RESERVE	-	-	925,360	925,360	925,360	-	-	-	-	-	-	-	-
5386	10 MSLA HEADWORKS DEBT SERVICE	698,099	-	256,273	954,372	256,273	-	251,145	-	-	446,954	-	-	-
5387	11 SEWER S1.29 M BOND DEBT SERVICE	100,380	-	-	100,380	-	-	-	-	-	100,380	-	-	-
5388	11 MSLA SEWER REVENUE BOND RESERVE	-	-	113,025	113,025	113,025	-	-	-	-	-	-	-	-
5389	15 SEWER REVENUE BOND DEBT SERVICE	62,063	-	-	62,063	-	-	-	-	-	62,063	-	-	-
5390	15 SEWER REVENUE BOND RESERVE	-	-	62,575	62,575	62,575	-	-	-	-	-	-	-	-
5391	16 SEWER REVENUE BOND DEBT SERVICE (NEW)	170,238	-	-	170,238	-	-	-	-	-	170,238	-	-	-
5392	16 SEWER REVENUE BOND RESERVE (NEW)	-	-	268,969	268,969	-	-	268,969	-	-	-	-	-	-
16 SEWER ENTERPRISE FUND SUBTOTALS		13,328,067	7,963,838	3,833,560	25,125,465	3,704,814	-	13,507,026	7,913,625	-	25,125,465	-	-	-
			21,291,905						50,213					
5711	AQUATICS	1,263,758	-	222,518	1,486,276	198,551	-	1,084,725	203,000	-	1,486,276	-	-	-
TOTAL ENTERPRISE FUND SUBTOTALS		14,710,548	7,963,838	4,057,355	26,731,741	3,903,365	-	14,711,751	8,116,625	-	26,731,741	-	-	-
			22,674,386											
INTERNAL SERVICE FUNDS														
6050	EMPLOYEE BENEFIT PLAN	6,137,237	-	1,058,885	7,196,122	1,031,622	-	5,722,500	442,000	-	7,196,122	-	-	-
PROPRIETARY FUNDS SUBTOTALS		20,847,785	7,963,838	5,116,240	33,927,863	4,934,987	-	20,434,251	8,558,625	-	33,927,863	-	-	-
TOTALS FOR CITY BUDGETED FUNDS		95,094,136	16,480,125	17,596,075	129,170,336	20,391,363	1,550,000	58,382,845	#####	32,366,003	129,170,336	286.10	#REF!	#REF!
COMPONENT UNITS - CITY OF MISSOULA														
PARKING COMMISSION FUNDS														
7370	PARKING COMMISSION OPERATING	1,653,874	309,510	389,306	2,352,690	410,000	-	1,942,690	-	-	-	-	-	-
7371	INTEREST FUND SERIES 2010B BONDS	266,220	-	-	266,220	-	-	-	-	-	266,220	-	-	-
7372	SINKING FUND SERIES 2010B BONDS	250,000	-	-	250,000	-	-	-	-	-	250,000	-	-	-
7375	PLEDGED TIF SERIES 2010 B BONDS	-	266,851	-	266,851	-	-	-	-	-	266,851	-	-	-
7379	SINKING FUND SERIES 2010A BONDS-CONSTRUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
PARKING SUBTOTAL		2,170,094	576,361	389,306	3,135,761	410,000	-	1,942,690	783,071	-	3,135,761	-	-	-
7380	BUSINESS IMPROVEMENT DISTRICT	431,315	-	113,007	544,322	175,000	-	369,322	-	-	544,322	-	-	-
7381	TOURISM BUSINESS IMPROVEMENT DISTRICT	296,713	-	-	296,713	-	-	296,713	-	-	296,713	-	-	-
MISSOULA REDEVELOPMENT AGENCY FUNDS														
7383	MRA - RIVERFRONT TRIANGLE URD	36,962	-	-	36,962	27,646	-	9,316	-	-	-	-	-	-
7384	N RESERVE SCOTT STREET CLEARING	-	59,452	-	59,452	-	-	59,452	-	-	-	-	-	-
7385	MRA - FRONT ST URD	629,034	-	1,950	630,984	560,748	-	-	-	-	70,236	-	-	-
7386	MRA- URD II - SAFEWAY	127,012	-	63,526	190,538	63,526	-	-	-	-	127,012	-	-	-
7387	MRA URD II - REVOLVING LN FD	54,716	-	-	54,716	-	-	-	-	-	54,716	-	-	-
7388	MRA TAX INCREMENT BOND RESERVE	-	-	675,665	675,665	675,665	-	-	-	-	-	-	-	-
7389	MRA TAX INCREMENT DEBT SERVICE	676,312	-	113	676,425	113	-	-	-	-	676,312	-	-	-
7390	MRA TAX INCREMENT DEBT SERVICE CLEARING	-	2,125,154	-	2,125,154	-	-	2,125,154	-	-	-	-	-	-
7392	MRA- URD II	2,211,766	250,000	-	2,461,766	1,340,589	-	-	-	-	1,121,177	-	-	-
7393	MRA- URD III	15,790,455	-	283,668	16,074,123	7,322,385	-	7,100,000	-	-	1,651,738	-	-	-
7394	MRA TAX INCREMENT BOND CLEARING	-	1,744,938	-	1,744,938	-	-	1,744,938	-	-	-	-	-	-
7395	MRA TAX INCREMENT DEBT SERVICE	343,200	-	-	343,200	-	-	-	-	-	343,200	-	-	-
7396	MRA TAX INCREMENT DEBT SERVICE	31,690	-	-	31,690	-	-	-	-	-	31,690	-	-	-
7397	MRA - N RESERVE/SCOTT ST	27,762	-	-	27,762	-	-	-	-	-	27,762	-	-	-
7398	MRA - HELLGATE URD	-	-	-	-	-	-	-	-	-	-	-	-	-
7399	MRA URD II INTERMOUNTAIN BOND - SERIES 2013-ne	145,937	-	7,690	153,627	7,690	-	-	-	-	145,937	-	-	-
7400	MRA TAX INCREMENT FRONT STREET URD BOND CLEA	-	616,443	-	616,443	-	-	616,443	-	-	-	-	-	-
7401	MRA TAX INCREMENT FRONT ST. BOND -PARKING STR	206,340	-	214,656	420,996	212,706	-	-	-	-	208,290	-	-	-
7402	MRA TAX INCREMENT FRONT ST. BOND -SUB. LIEN NO	131,161	-	86,017	217,178	85,971	-	-	-	-	131,207	-	-	-
MRA SUBTOTAL		20,412,347	4,795,987	1,333,285	26,541,619	10,297,039	-	11,655,303	4,589,277	-	26,541,619	-	-	-
COMPONENT UNIT TOTALS		23,310,469	5,372,348	1,835,598	30,518,415	10,882,039	-	14,264,028	5,372,348	-	30,518,415	-	-	-
				28,682,817										
TOTALS FOR ALL BUDGETED FUNDS		118,404,605	21,852,473	19,431,673	159,688,751	31,273,402	1,550,000	72,646,873	#####	32,366,003	159,688,751	286.10	#REF!	#REF!

ALL CITY - WHERE THE MONEY COMES FROM - FY 2017



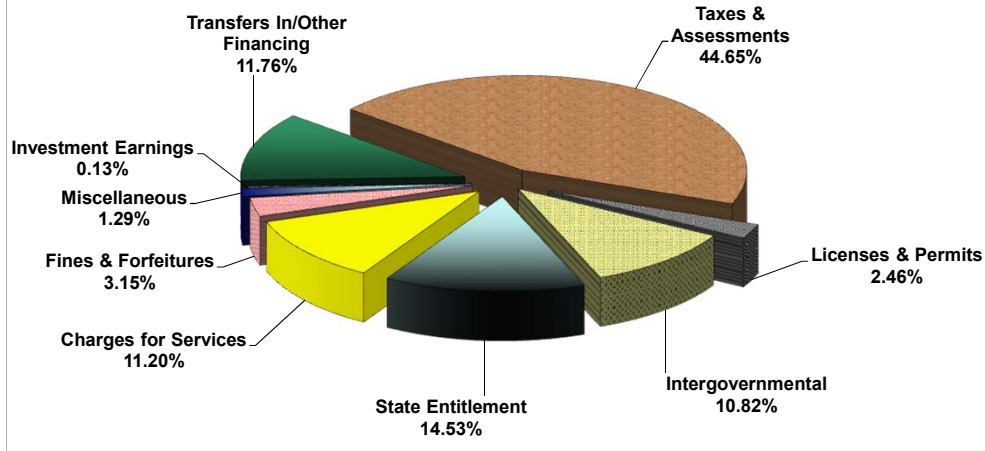
	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	Budget Increase (Decr)
Taxes and Assessments	\$ 35,900,213	\$ 38,018,694	\$ 35,797,646	\$ (2,221,048)
Licenses and Permits	3,664,808	3,849,635	3,691,820	(157,815)
Intergovernmental	11,380,145	10,981,580	12,352,862	1,371,282
State Entitlement	8,759,542	8,986,238	8,327,658	(658,580)
Charges for Services	17,868,248	17,823,094	19,498,641	1,675,547
Fines and Forfeitures	1,460,480	1,704,692	2,037,627	332,935
Miscellaneous	1,152,285	1,800,315	7,432,395	5,632,080
Investment Earnings	138,810	13,238	73,500	60,262
Transfer In/Other Financing	16,358,856	37,789,746	47,918,484	10,128,738
Total City Revenues	\$ 96,683,387	\$ 120,967,232	\$ 137,130,633	\$ 16,163,401

ALL CITY - WHERE THE MONEY GOES - FY 2017



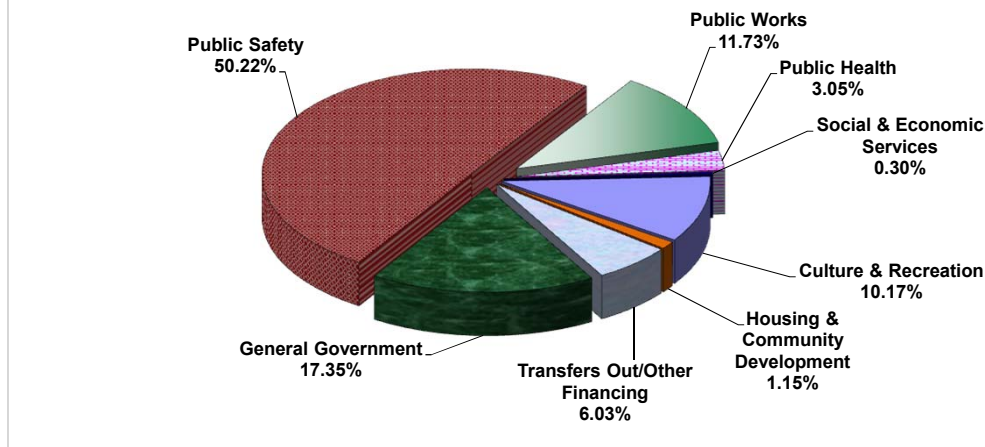
	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	Budget Increase (Decr)
General Government	\$ 10,202,822	\$ 10,871,079	\$ 12,173,677	\$ 1,302,598
Public Safety	28,117,822	29,122,337	31,166,373	2,044,036
Public Works	24,261,826	20,157,285	16,341,740	(3,815,545)
Public Health	1,644,431	1,706,945	1,754,519	47,574
Social & Economic Services	210,000	175,000	175,000	-
Culture and Recreation	6,350,712	6,556,870	8,069,161	1,512,291
Housing and Community Develop	2,389,831	4,434,504	16,188,875	11,754,371
Debt Service	5,532,707	818,567	11,391,016	10,572,449
Internal Service	6,426,785	8,324,764	93,500	(8,231,264)
Capital Outlay	8,477,784	8,422,503	13,609,169	5,186,666
Transfer Out/Other Financing	9,047,694	23,337,323	29,294,048	5,956,725
Total City Expenditures	\$ 102,662,414	\$ 113,927,177	\$ 140,257,078	\$ 1,090,954

FY 2017 GENERAL FUND REVENUES BY CATEGORY



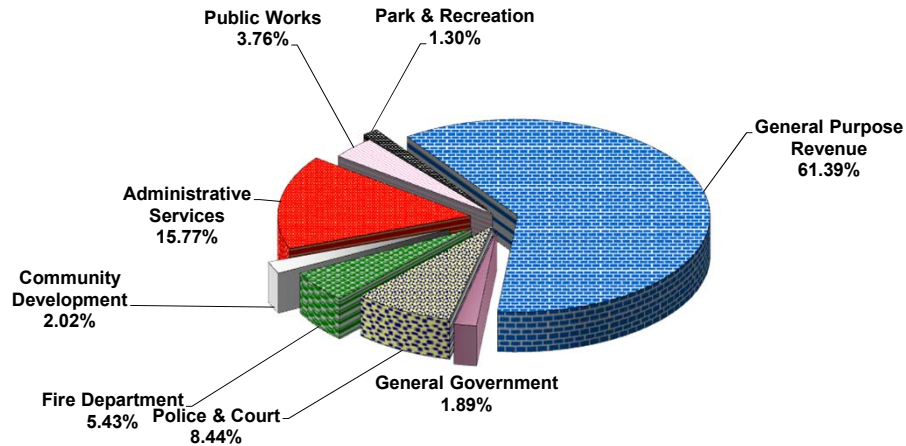
	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	Budget Increase (Decr)
Taxes & Assessments	\$ 22,701,709	23,553,599	\$ 24,802,954	\$ 1,249,355
Licenses & Permits	1,340,961	1,444,113	1,367,241	(76,872)
Intergovernmental	5,278,677	6,203,713	6,009,681	(194,033)
State Entitlement	7,975,811	8,202,506	8,072,398	(130,107)
Charges for Services	4,860,022	5,464,693	6,220,287	755,594
Fines & Forfeitures	1,308,935	1,531,422	1,750,827	219,405
Miscellaneous	672,154	253,374	715,887	462,513
Investment Earnings	-	-	73,500	73,500
Transfers In/Other Financing	6,136,466	5,771,572	6,530,979	759,407
Total Sources	\$ 50,274,735	\$ 52,424,992	\$ 55,543,754	\$ 3,118,762

FY 2017 GENERAL FUND EXPENDITURES BY CATEGORY



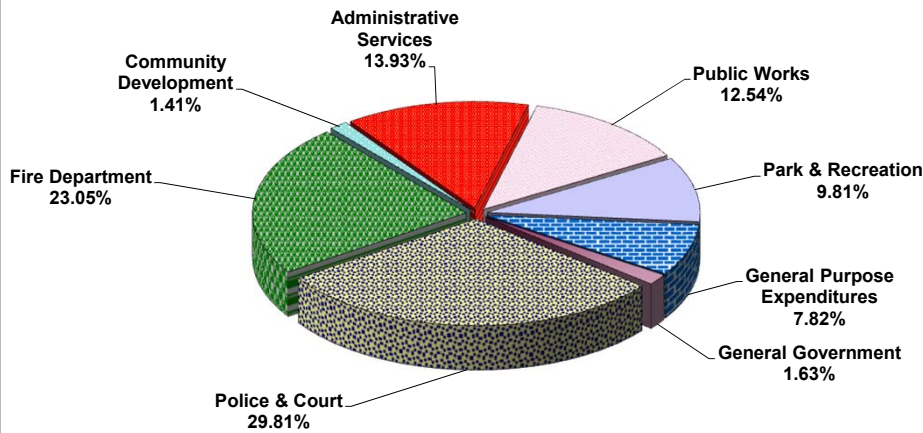
	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	Budget Increase (Decr)
General Government	\$ 8,402,459	\$ 8,998,482	\$ 9,986,623	\$ 988,141
Public Safety	26,232,341	27,177,294	28,908,598	1,731,304
Public Works	5,889,494	6,196,341	6,753,967	557,626
Public Health	1,644,431	1,706,945	1,754,519	47,574
Social & Economic Services	210,000	175,000	175,000	-
Culture & Recreation	3,921,649	4,014,830	5,854,654	1,839,824
Housing & Community Development	45,000	35,014	662,439	627,425
Transfers Out/Other Financing	3,877,288	4,486,594	3,468,262	(1,018,332)
Total Uses	\$ 50,222,662	\$ 52,790,500	\$ 57,564,062	\$ 4,773,562

FY 2017 GENERAL FUND REVENUES BY SUB-FUND



	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	Budget Increase (Decr)
General Purpose Revenue	\$ 30,821,023	\$ 32,227,896	\$ 34,098,169	\$ 1,870,273
General Government	940,901	1,001,638	1,050,368	48,730
Police & Court	4,218,005	4,448,897	4,686,817	237,920
Fire Department	2,696,872	2,876,419	3,013,526	137,108
Community Development	1,062,743	1,015,008	1,124,757	109,749
Administrative Services	8,061,090	8,130,808	8,760,219	629,411
Public Works	1,869,689	1,994,227	2,089,252	95,025
Park & Recreation	604,413	730,099	720,645	(9,454)
Total	\$ 50,274,735	\$ 52,424,992	\$ 55,543,754	\$ 3,118,762

FY 2017 GENERAL FUND EXPENDITURES BY SUB-FUND



	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	Budget Increase (Decr)
General Purpose Expenditures	\$ 4,458,711	\$ 4,358,619	\$ 4,504,168	\$ 145,549
General Government	888,331	849,914	937,074	87,160
Police & Court	15,241,400	15,821,105	17,161,284	1,340,179
Fire Department	12,235,563	12,702,810	13,266,138	563,328
Community Development	149,985	170,030	809,363	639,334
Administrative Services	6,557,875	6,968,904	8,019,903	1,050,999
Public Works	6,238,135	6,877,751	7,220,837	343,086
Park & Recreation	4,452,663	5,041,370	5,645,294	603,924
Total	\$ 50,222,662	\$ 52,790,502	\$ 57,564,062	\$ 4,773,560

FINANCIAL POLICIES

The City of Missoula has an important responsibility to its citizens to carefully account for public funds, manage city finances wisely, manage growth, and plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. As Missoula continues to grow at a record pace, its government needs to insure that it is capable of adequately funding and providing those local government services the citizens require. The following fiscal and budgetary policies are designed to meet these goals.

The overall goal of the city's fiscal policy is to establish and maintain effective management of the city's financial resources. Formal policy statements and major objectives provide the foundation for achieving this goal. Accordingly, this section outlines the policies used in guiding the preparation and management of the city's overall budget and the major objectives to be accomplished.

Financial policies are guidelines for operational and strategic decision making related to financial matters. Financial policies identify acceptable and unacceptable courses of action, establish parameters in which the government can operate, and provide a standard against which the government's fiscal performance can be judged.

The following City financial policies, endorsed by the City Council, establish the framework for the City of Missoula's overall fiscal planning and management. They set forth guidelines against which current budgetary performance can be measured. The City of Missoula's financial policies show the credit rating industry and prospective investors (bond buyers) the City's commitment to sound financial management and fiscal integrity. The financial policies also improve the City's fiscal stability by helping City officials plan fiscal strategy with a consistent approach. Adherence to adopted financial policies promotes sound financial management, which can lead to improvement in City bond ratings and lower cost of capital. The City is in compliance with the comprehensive financial policies in this budget.

OPERATING BUDGET POLICIES

Links to Financial Plans

- 1) **Five-Year Plan.** The City of Missoula's annual budget will be developed in accordance with the policies and priorities set forth in the five year strategic financial plan, Council goals, the needs of the city, and state and federal laws. Program/project priorities and service levels will be established by the aforementioned plans.

Scope.

- 1) **Comprehensive Budget.** A comprehensive annual budget will be prepared for all funds expended by the city. State law (7-6-4005), states that "Local government officials may not make a disbursement or an expenditure or incur an obligation in excess of the total appropriations for a fund." Inclusion of all funds in the budget enables the council, the administration, and the public to consider all financial aspects of city government when preparing, modifying, and monitoring the budget, rather than deal with the city's finances on a "piece meal" basis.
- 2) **Competing Requests.** The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new, ongoing

programs made outside the budget process will be discouraged.

- 3) **Understandable.** The budget will be prepared in such a manner as to facilitate its understanding by citizens and elected officials. One of the stated purposes of the budget is to present a picture of the city government operations and intentions for the year to the citizens of the City of Missoula. Presenting a budget document that is understandable to the citizens furthers the goal of effectively communicating local government finance issues to both elected officials and the public.
- 4) **Budgetary Emphasis.** Budgetary emphasis will focus on providing those basic government services which provide the maximum level of services, to the most citizens, in the most cost effective manner, with due consideration being given to all costs--economic, fiscal, and social. Adherence to this basic philosophy provides the citizens of the City of Missoula assurance that its government and elected officials are responsive to the basic needs of the citizens and that its government is operated in an economical and efficient manner.

FINANCIAL POLICIES

Budgeting Control System.

- 1) **Budgetary Control.** The City will exercise budgetary control (maximum spending authority) through City Council approval of appropriation authority for each program. The budgetary control system enables the Council to monitor current year operations and acts as an early warning mechanism when departments deviate in any substantive way from the original budget.
- 2) **Budget to Actual Reports.** Reports comparing actual revenues and expenditures to budgeted amounts will be prepared monthly and posted to the City's web-site. Monthly reports comparing actual revenues and expenditures to budget amounts provide the mechanism for the Council and the administration to regularly monitor compliance with the adopted budget. Quarterly reports will also be prepared that summarize the monthly detailed reports.

Balanced Budget Definition and Requirement.

- 1) **Balanced Budget.** The city will maintain a balanced budget. This means that:
 - Operating revenues must fully cover operating expenditures, including debt service.
 - Ending fund balance (or working capital in proprietary funds) must meet minimum policy levels.
 - Under this policy, it is allowable for total expenditures to exceed revenues in a given year as long as the projected ending fund balance meets minimum policy levels.

Performance Measurement Integration.

- 1) **Program Objectives.** The annual budget will establish measurable program objectives and allow reasonable time to accomplish those objectives.

REVENUE POLICIES

Diversification and Stabilization.

- 1) **Diversification.** The city will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.
- 2) **Aggressive Collection.** The city will pursue an aggressive policy of collecting revenues. An aggressive policy of collecting revenues will help to insure the city's revenue estimates are met, all taxpayers are treated fairly and consistently, and delinquencies are kept to a minimum.
- 3) **Grant Opportunities.** The city will aggressively pursue opportunities for Federal or State grant funding. An aggressive policy of pursuing opportunities for Federal or State grant funding provides citizens assurance that the city is striving to obtain all state and federal funds to which it is entitled--thereby reducing dependence upon local taxpayers for the support of local public services.
- 4) **Current Revenues for Current Uses.** The city will make all current expenditures with current revenues.
- 5) **Enterprise Funds.** The city will set fees and rates at levels which fully recover the total direct and indirect costs—including operations, depreciation of capital assets, and debt service.
- 6) **Earmarking.** The City recognizes that generally accepted accounting principles for state and local governments discourage the "earmarking" of General Fund revenues, and accordingly, the practice of designating General Fund revenues for specific programs should be minimized in the City's management of its fiscal affairs.
- 7) **Realistic and Conservative.** The city will estimate revenues in a realistic and conservative manner. Aggressive revenue estimates significantly increase the chances of budgetary shortfalls occurring during the year--resulting in either deficit spending or required spending reductions. Realistic and conservative revenue estimates, on the other hand, will serve to minimize the adverse impact of revenue shortfalls and will also reduce the need for mid-year spending reductions.
- 8) **One-Time Revenues.** The city will give highest priority in the use of one-time revenues to the funding of capital assets or other non-recurring expenditures. Utilizing one-time revenues to fund on-going expenditures results in incurring annual

FINANCIAL POLICIES

expenditure obligations which may be unfunded in future years. Using one-time revenues to fund capital assets or other non-recurring expenditures better enables future administrations and council's to cope with the financial problems when these revenue sources are discontinued, since these types of expenditures can more easily be eliminated.

User Fees.

- 1) **Cost-Effective.** User fees will be collected only if the city finds it cost-effective and administratively feasible to do so. User fees are often costly to administer. Prior to establishing user fees, the costs to establish and administer the fees will be considered in order to provide assurance that the city's collection mechanisms are being operated in an efficient manner.
- 2) **Beneficiary Populations.** User fees and charges will be used, as opposed to general taxes, when distinct beneficiary populations or interest groups can be identified. User fees and charges are preferable to general taxes because user charges can provide clear demand signals which assist in determining what services to offer, their quantity, and their quality. User charges are also more equitable, since only those who use and benefit from the service must pay--thereby eliminating the subsidy provided by nonusers to users, which is inherent in general tax financing.
- 3) **Community-Wide Versus Special Benefit.** The level of user fee cost recovery should consider the community-wide versus special service nature of the program or activity. The use of general-purpose revenues is appropriate for community-wide services, while other user fees are appropriate for services that are of special benefit to identified individuals or groups.
- 4) **General.** The following general concepts will be used in developing and implementing service charges and user fees:
 - Revenues should not exceed the reasonable cost of providing the service.
 - Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs and organization-wide support costs such as accounting, personnel, information technology, legal services, fleet maintenance, and insurance.

- The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
- Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
- A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

EXPENDITURE POLICIES

Maintenance of Capital Assets.

Capital Assets. The budget will provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement. All governments experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital, plant, and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of the need for adequate maintenance and replacement of capital, plant, and equipment, regardless of the economic conditions, will assist in maintaining the government's equipment and infrastructure in good operating condition.

RESERVE POLICIES

Unreserved Fund Balance.

- 1) **General Fund.** An undesignated general fund reserve will be maintained by the city. The undesignated reserve will be used for: cash flow purposes, equipment acquisition and replacement, and to enable the city to meet unexpected expenditure demands or revenue shortfalls. The City will focus on attaining and maintaining a fund balance equal to 7% of the General Fund's budget.
- 2) **Enterprise Funds.** Enterprise Fund Reserves will be maintained to meet four objectives: (1) ensure adequate funding for operations; (2) to ensure infrastructure repair

FINANCIAL POLICIES

and replacement; (3) to provide working capital to provide level rate change for customers; and, (4) to maintain the legally required coverage for outstanding revenue bond debt.

- 3) **Insurance Funds.** Self-Insurance Reserves will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property, liability, and health benefit risk. The City will focus on attaining and maintaining a fund balance equal to three months of claims experience for the City's health plan insurance budget.
- 4) **Required Reserves.** Reserves will be established for funds which are not available for expenditure or are legally segregated for a specific use, in accordance with Governmental Accounting and Financial Reporting Standards (GAFR). The City's policy is to manage and account for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). This policy is consistent with GASB requirements.

Utilizing Unreserved Fund Balances.

- 1) **Spending Reserves.** On-going expenditures will be limited to levels which can be supported by current revenues. Utilization of reserves to fund on-going expenditures will produce a balanced budget, however, this practice will eventually cause severe financial problems. Once reserve levels are depleted, the city would face elimination of on-going costs in order to balance the budget. Therefore, the funding of on-going expenditures will be limited to current revenues.

CAPITAL IMPROVEMENT POLICIES

CIP Formulation.

- 1) **CIP Purpose.** The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a five-year plan organized into the same functional groupings used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or

infrastructure; and capital facility projects that significantly expand or add to the City's existing fixed assets.

- 2) **CIP Criteria.** Construction projects and capital purchases of \$5,000 or more will be included in the Capital Improvement Plan (CIP) as long as the useful life of the asset exceeds five years; minor capital outlays of less than \$5,000 will be included in the regular operating budget. Vehicles intended for use on streets and highways, costing less than \$35,000, are not included in the CIP. The Capital Improvement Plan (CIP) differentiates the financing of high cost long-lived physical improvements from low cost "consumable" equipment items contained in the operating budget. CIP items may be funded through debt financing or current revenues while operating budget items are annual or routine in nature and should only be financed from current revenues.
- 3) **Deteriorating Infrastructure.** The capital improvement plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

Project Financing.

- 1) **Minor Capital Projects.** Minor capital projects or recurring capital projects, which primarily benefit current residents, will be financed from current revenues. Minor capital projects or recurring capital projects represent relatively small costs of an on-going nature, and therefore, should be financed with current revenues rather than utilizing debt financing. This policy also reflects the view that those who benefit from a capital project should pay for the project.
- 2) **Major Capital Projects.** Major capital projects, which benefit future residents, will be financed with other financing sources (e.g. debt financing). Major capital projects represent large expenditures of a non-recurring nature which primarily benefit future residents. Debt financing provides a means of generating sufficient funds to pay for the costs of major projects. Debt financing also enables the costs of the project to be supported by those who benefit from the project, since debt service payments will be funded through charges to future residents.

DEBT MANAGEMENT POLICIES

Restrictions on Debt Issuance.

- 1) Repayment of Borrowed Funds.** The city will repay borrowed funds, used for capital projects, within a period not to exceed the expected useful life of the project. This policy reflects the view that those residents who benefit from a project should pay for the project. Adherence to this policy will also help prevent the government from over-extending itself with regard to the incurrence of future debt.

Limitations on Outstanding Debt

- 1) Reliance on Long-Term Debt.** The City will limit long-term debt to capital improvements which cannot be financed from current revenues. Incurring long-term debt serves to obligate future taxpayers. Excess reliance on long-term can cause debt levels to reach or exceed the government's ability to pay. Therefore, conscientious use of long-term debt will provide assurance that future residents will be able service the debt obligations left by former residents.
- 2) Debt Not Used for Current Operations.** The city will not use long-term debt for financing current operations. This policy reflects the view that those residents who benefit from a service should pay for the service. Utilization of long-term debt to support current operations would result in future residents supporting services provided to current residents.

Debt Refinancing

- 1) General Refinancing Guidelines.** Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancings will be considered (within federal tax law constraints) under the following conditions:
 - There is a net economic benefit.
 - It is needed to modernize covenants that are adversely affecting the City's financial position or operations.
 - The City wants to reduce the principal outstanding in order to achieve future working capital to do so from other sources.

- 2) Standards for Economic Savings.** The federal government has placed significant conditions on the tax-exempt refunding of outstanding issues. Refundings have two general categories:
 - Current refundings, where the refunding bonds are settled within 90 days of an optional prepayment date; and
 - Advance refundings, where refundings are settled more than 90 days in advance of an optional prepayment date. The federal restrictions are that any issue can only be advance refunded once on a tax-exempt basis.

On advance refundings the City will seek to obtain a minimum present value savings level of 3% of the present value of refunded debt service. State law requires a demonstration of savings of 0.5% reduction in the average coupon interest rate between the refunding and refunded bonds.

The complete debt management policy for the City of Missoula can be found in the appendix to this budget document.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

GAAP. The City will manage and account for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). GASB is recognized as the authority with respect to governmental accounting. Managing the city's finances in accordance with GAAP and in accordance with the rules set forth by GASB, provides the citizens of the City of Missoula assurance that their public funds are being accounted for in a proper manner.

Basis of Accounting. The city will maintain its accounting records for general governmental operations on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when services or goods are received and liabilities incurred. Accounting records for proprietary fund types and similar trust funds will be maintained on an accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash. Adherence to this policy

FINANCIAL POLICIES

will enable the city to prepare its financial statements in accordance with Generally Accepted Accounting Principles as set forth by the Governmental Accounting Standards Board. The basis of accounting is the same for both the budget and the financial statements. It is worth noting that depreciation is not budgeted. Likewise, debt principle is budgeted for but is reported as a reduction of liability for the proprietary funds on the financial statements at year end.

Financial Report. The City of Missoula will prepare an Annual Financial Report (AFR) in conformity with Generally Accepted Accounting Principles (GAAP). The report will be made available to the general public.

Audits. An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the City's published Annual Financial Report (AFR). Audits of the city's financial records provide the public assurance that its funds are being expended in accordance with Local, State, and Federal law and in accordance with Generally Accepted Accounting Principles. Audits also provide management and the Council with suggestions for improvement in its financial operations from independent experts in the accounting field.

INVESTMENT POLICIES

Scope

This policy applies to the investment of short-term operating funds. Proceeds from certain bond issues will be covered by a separate policy.

Pooling of Funds. Except for cash in certain restricted and special funds, the City of Missoula will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

General Objectives. The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. **Credit Risk**
The City of Missoula will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- i. Limiting investments to the safest types of securities
- ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City of Missoula will do business
- iii. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

b. **Interest Rate Risk**
The City of Missoula will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of

FINANCIAL POLICIES

earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal.
- b. A security swap would improve the quality, yield, or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.

Other areas. The complete investment policy, which is provided in detail in the appendix, also addresses standards of care, ethics and conflicts of interest, delegation of authority, safekeeping and custody, suitable and authorized investments, investment parameters, maximum maturities, and policy considerations.

FINANCIAL STRUCTURE

FUND ACCOUNTING

The City of Missoula maintains accounts in accordance to the principle of fund accounting to ensure that limitations and restrictions on the City's available resources are observed and adhered to. Fund accounting classifies resources into funds or account groups with respect to the intended activities or objectives specified by those resources for accounting controls and financial reporting purposes. Each fund is an independent fiscal and accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise of assets, liabilities, fund equity, revenues, and expenditures or expenses. Account groups are reporting mechanisms used to compile certain assets and liabilities of the governmental funds that are not directly recorded in those funds.

A **FUND** is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The most common reason for establishing a fund is to separately account for restricted-use revenue or to comply with state or federal law.

There is no limit to the number of funds that a government may establish and maintain for accounting and financial reporting. A generally practiced governmental accounting guideline is that a government should use the smallest number of individual funds as possible, consistent with its particular circumstances, and that individual funds are closed when its intended purpose no longer exists.

An **ACCOUNT** is an organizational or budgetary breakdown which is found within city funds. Each department serves a specific function as a distinct organizational unit of government within the given fund. Its primary purpose is organizational and budgetary accountability.

An **OBJECT OF EXPENDITURE** refers to specific, detailed expenditure classification. It relates to a specific type of item purchased or service obtained. Examples of objects of expenditure include salaries, supplies, contracted services, travel, etc.

The City's financial operations and fund structure conform to generally accepted accounting principles. The funds are grouped under governmental funds, proprietary funds, and fiduciary fund types. The City's fund structure is comprised of the following funds, all of which are budgeted.

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund — accounts for all financial resources except those required to be accounted for in another fund. The General Fund is the City's primary operating fund.

Special Revenue Funds — account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes (other than for major capital projects). Examples include: Building Inspection, Impact Fees, Health Insurance Levy and the Cable Franchise Fee Fund.

Debt Service Funds — account for the accumulation of resources for, and the payment of, principal and interest on general long-term debt.

Capital Project Funds — account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.) Examples include: Open Space Acquisition, 2006 Fire Station General Obligation Bond Construction Fund and the Capital Improvement Program Fund.

PROPRIETARY FUND TYPES

Proprietary Funds are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The following proprietary funds are used by the City.

Enterprise Funds — account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including

FINANCIAL STRUCTURE

depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples include: Wastewater Treatment Plant Fund.

Internal Service Funds — account for the financing of goods or services provided by one department to other departments of the City, or to other governmental units, on a cost-reimbursement basis. Examples include: Employee Health Insurance.

COMPONENT UNITS

Component Units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations of which the nature and significance of their relationship with the primary government is such that exclusion of these organizations from the primary government's financial statements would be misleading or where there is a financial benefit/burden relationship.

Component Units are either blended or discrete. Blended component units funding sources and uses are "blended" in with the primary government's basic financial statements while discretely presented component units are shown only in Government-wide financial statements: Statement of Net Position and Statement of Activities. The City of Missoula includes four discretely presented component units:

1. Missoula Parking Commission
2. Business Improvement District
3. Tourism Business Improvement District
4. Missoula Redevelopment Agency

FIDUCIARY FUND TYPES

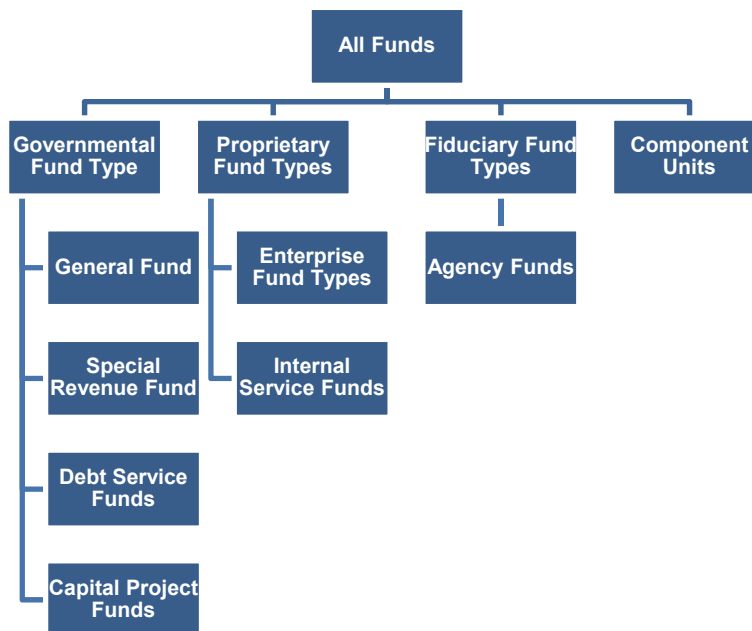
Trust and Agency Funds: Trust and agency funds are used to account for assets held by a Governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

CONSISTENCY WITH AUDITED FINANCIAL STATEMENTS

The City of Missoula's budgeted funds are consistent with the City's audited financial statements.

FINANCIAL STRUCTURE

Shown below is a graphic summary of the City's Fund Structure.



Below is the detail to the graph of the City's Fund Structure.

1. Governmental Fund Types
 - a. General Fund
 - i. City Council
 - ii. Mayor
 - iii. Human Resources
 - iv. City Clerk
 - v. Information Technologies
 - vi. Municipal Court
 - vii. Finance
 - viii. Central Services
 - ix. Development Services
 - x. Housing and Community Development
 - xi. Attorney
 - xii. Public Works – Operations
 - xiii. Public Works- Streets
 - xiv. Facility and Vehicle Maintenance
 - xv. Police
 - xvi. Fire
 - xvii. Cemetery
 - xviii. Parks and Recreation
 - xix. Non-Departmental
 - b. General Fund - Special Purpose Funds
 - i. Park Acquisition and Development
 - ii. Park Enterprise
 - iii. Parks and Recreation Trails and Development
 - iv. Parks and Recreation – City Life Gym
 - v. Parks and Recreation – Fort Missoula Regional Park
 - vi. Cemetery Cremain Wall and Cemetery Donations
 - vii. Cemetery Care
 - viii. Cemetery Memorial

FINANCIAL STRUCTURE

- ix. Title I Projects
 - x. Program Income Revolving Loan Program
 - xi. State Home Program Income
 - c. Special Revenue Funds
 - i. Planning Department Fund
 - ii. Public Safety Information Systems
 - iii. Impact Fee
 - iv. George Elmer-Cattle Drive
 - v. Public Art
 - vi. Employee Health Insurance Levy
 - vii. Employee Health Insurance Levy (outside cap)
 - viii. Cable Television Franchise
 - ix. Drug Forfeiture
 - x. Building Inspection
 - xi. City Grants and Program Income
 - xii. Dangerous Building Demolition Repair
 - xiii. Street Lighting Assessment
 - xiv. Street Maintenance Assessment
 - xv. Road District I
 - xvi. Parks District I
 - xvii. State Gas Tax
 - xviii. Law Enforcement Block Grant
 - xix. HIDTA
 - xx. CDBG Program Income
 - xxi. CDBG
 - xxii. HOME
 - xxiii. City Home program income
 - xxiv. Transportation Department
 - xxv. Federal/State Transportation
 - xxvi. Grants and Donations
 - xxvii. Police Grants and Donations
 - d. Debt Service
 - i. General Obligation
 - 1. 2012A Aquatics Refunding
 - 2. 2013A refunding
 - ii. Special Improvement
 - 1. SID Revolving Fund
 - 2. Sidewalk and Curb Bonded Debt Service
 - 3. SID Bonded Debt Service
 - e. Capital Projects
 - i. Capital Improvement Program (CIP)
 - ii. 1997 GO Open Space Purchase
- 2. Proprietary Funds
 - a. Enterprise Funds
 - i. Civic Stadium
 - ii. Sewer
 - iii. Aquatics
 - b. Internal Service
 - i. Employee Benefit Plan
- 3. Fiduciary Funds
 - a. Agency Funds
- 4. Component Units
 - a. Parking Commission
 - b. Business Improvement District (BID)
 - c. Tourism Business Improvement District (TBID)
 - d. Missoula Redevelopment Agency (MRA)

FUNCTIONS, DEPARTMENTS, PROGRAMS/ACTIVITIES

PURPOSE

[REDACTED]

The organizational units set forth in this section of the Budget represent the City's system of delivery of services and allows the City to accomplish the following:

- Establish policies and goals that define the nature and level of service to be provided.
- Identify activities performed in delivering program services.
- Set objectives for improving delivery of services.
- Appropriate the resources required to perform activities and accomplish objectives.

ORGANIZATION

[REDACTED]

The city's operating expenditures are organized into the following hierarchical categories:

- Function
- Department
- Program/Activity

FUNCTION

[REDACTED]

Function represents the highest level of summarization used in the City's operating structure. Functions are a grouping of relating operations and programs that may cross organizational (departmental) boundaries. Functions are aimed at accomplishing a broad goal or delivering a major service. The five functions in the city's operating structure are:

- General Government
- Public Safety
- Public Works
- Public Health
- Social & Economic Services
- Culture & Recreation
- Housing & Community Development
- Conservation of Natural Resources
- Miscellaneous

DEPARTMENTS

[REDACTED]

Departments represent a grouping of related programs within a functional area such as Police Department within the broad functional area of Public Safety.

PROGRAM/ACTIVITY

[REDACTED]

Programs/Activities of a Department are the specific services and task performed in the pursuit of its objectives and goals.

OVERVIEW OF BUDGETED RESOURCES

OVERVIEW OF BUDGETED RESOURCES

SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES Budgeted July 1, 2016 through June 30, 2017 (FY 17)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Component Units	Total All Funds
	General + General Special	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust & Agency		
Fund Balance/Net assets-July 1, 2016		\$ 8,439,301	\$ 2,910,637	\$ (9,000,649)	\$ 77,531,701	\$ 1,095,596	\$ 466,016	\$ 9,373,521	\$ 96,059,590
Assigned/Restricted	\$ 3,693,353								
Unassigned	\$ 1,550,114								
Estimated Revenues									
Taxes & Assessments	24,802,954	4,778,675	1,264,255	-	-	-	-	4,951,762	35,797,646
Licenses & Permits	1,367,241	2,324,579	-	-	-	-	-	-	3,691,820
Intergovernmental	14,082,079	5,815,869	-	-	251,145	-	-	531,427	20,680,520
Charges for Services	6,220,287	1,346,993	-	-	10,253,671	-	-	1,677,690	19,498,641
Fines & Forfeitures	1,750,827	16,800	-	-	-	-	-	270,000	2,037,627
Miscellaneous	715,887	3,472,373	1,824,135	-	1,420,000	-	-	-	7,432,395
Investment Earnings	73,500	-	-	-	-	-	-	-	73,500
Long Term Debt proceeds	316,129	-	-	10,275,183	-	-	-	7,100,000	17,691,312
Transfers In/Other Financing	6,214,850	191,795	-	1,646,970	10,903,560	442,000	-	5,105,497	24,504,672
Internal Service	-	-	-	-	-	5,722,500	-	-	5,722,500
Total Estimated Revenues	55,543,754	17,947,084	3,088,390	11,922,153	22,828,376	6,164,500	-	19,636,376	137,130,633
Budgeted Expenditures									
General Government	9,986,623	2,187,054	-	-	-	-	-	-	12,173,677
Public Safety	28,908,598	2,257,775	-	-	-	-	-	-	31,166,373
Public Works	6,753,967	1,857,317	-	-	6,044,164	-	-	1,686,292	16,341,740
Public Health	1,754,519	-	-	-	-	-	-	-	1,754,519
Social and Economic Services	175,000	-	-	-	-	-	-	-	175,000
Culture and Recreation	5,854,654	879,026	-	-	1,335,481	-	-	-	8,069,161
Housing & Community Devel.	662,439	2,114,557	-	-	-	-	-	13,411,879	16,188,875
Debt Service	590,325	868,997	2,988,390	2,215,840	2,281,943	-	-	2,445,521	11,391,016
Internal Service	-	15,000	-	-	57,000	-	-	21,500	93,500
Capital Outlay	104,814	2,759,767	-	389,534	4,971,960	-	-	5,383,094	13,609,169
Transfers Out/Other Financing	2,773,123	6,249,189	100,000	316,130	7,983,838	6,137,237	-	5,734,531	29,294,048
Total Budgeted Expenditures	57,564,062	19,188,682	3,088,390	2,921,504	22,674,386	6,137,237	-	28,682,817	140,257,078
Projected Change in									
Fund Balance/Net Assets	(2,020,308)	(1,241,598)	-	9,000,649	153,990	27,263	-	(9,046,441)	(3,126,445)
Anticipated Expenditure Savings	1,550,000	-	-	-	-	-	-	-	1,550,000
Projected Ending									
Fund Balance/Net assets-June 30, 2017		\$ 7,197,703	\$ 2,910,637	\$ -	\$ 77,685,691	\$ 1,122,859	\$ 466,016	\$ 327,080	\$ 94,483,145
Assigned/Restricted	3,063,597								
Unassigned	1,709,562								
Total Fund Balance - June 30, 2017	\$ 4,773,159								

OVERVIEW OF BUDGETED RESOURCES

OVERVIEW OF BUDGETED RESOURCES

SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES Actual July 1, 2015 through June 30, 2016 (FY 16)

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Component Units	Total All Funds
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust & Agency	
Revenues								
Taxes & Assessments	23,553,599	7,263,867	3,366,757	-	-	-	3,834,471	38,018,694
Licenses & Permits	1,444,113	2,403,981	-	-	1,541	-	-	3,849,635
Intergovernmental	14,406,219	4,709,491	-	58,793	1,799	6,999	784,517	19,967,818
Charges for Services	5,464,693	1,309,622	-	-	9,237,130	123,002	1,688,647	17,823,094
Fines & Forfeitures	1,531,422	15,311	-	-	-	-	157,959	1,704,692
Miscellaneous	253,374	27,412	-	452,709	761,463	-	305,357	1,800,315
Investment Earnings	-	-	13,238	-	-	-	-	13,238
Internal Service	-	-	-	-	-	4,974,491	-	4,974,491
Total Revenues	46,653,420	15,729,684	3,379,995	511,502	10,001,933	4,974,491	130,001	88,151,977
Expenditures								
General Government	8,998,482	1,846,778	25,819	-	-	-	-	10,871,079
Public Safety	27,177,294	1,839,978	-	10,697	-	94,368	-	29,122,337
Public Works	6,196,341	1,401,301	-	206,357	11,068,733	-	1,284,553	20,157,285
Public Health	1,706,945	-	-	-	-	-	-	1,706,945
Social and economic services	175,000	-	-	-	-	-	-	175,000
Culture and recreation	4,014,830	754,413	-	-	1,787,627	-	-	6,556,870
Housing & Community Development	35,014	1,232,971	-	-	-	-	3,166,519	4,434,504
Miscellaneous	818,567	-	-	-	-	-	-	818,567
Debt Service	579,660	667,399	3,398,518	3,680,396	-	-	(1,209)	8,324,764
Capital Outlay	1,095,839	2,409,878	-	2,860,453	-	-	2,056,333	8,422,503
Business-type	-	-	-	-	-	5,220,417	-	5,220,417
Total Expenditures	50,797,972	10,152,718	3,424,337	6,757,903	12,856,360	5,220,417	94,368	95,810,271
Other Financing Sources (Uses)								
Transfers In	5,510,697	225,325	252,770	1,315,441	7,946,923	518,877	-	20,159,377
Transfers Out	(1,992,528)	(5,301,861)	(445,969)	(234,640)	(7,743,923)	-	-	(17,221,957)
Payments - Refunded Bond Escrow	-	-	-	-	-	-	-	-
Proceeds from Refunding Bond	-	-	-	-	-	-	-	-
Proceeds from LT Debt	260,875	911,116	29,930	5,300,892	-	-	5,262,524	11,765,337
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-
Contributions from Property owners	-	-	-	-	542,866	-	-	542,866
Contributions-government activities	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	235,961	-	-	235,961
Investment & Royalty Earnings	-	-	-	-	2,684	-	109,030	111,714
Debt Service Interest Expense	-	-	-	-	(894,949)	-	-	(894,949)
Total Other Financing Sources (Uses)	3,779,044	(4,165,420)	(163,269)	6,381,693	89,562	518,877	-	14,698,349
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(365,508)	1,411,546	(207,611)	135,292	(2,764,865)	272,951	35,633	7,040,055
Fund Balance/Net assets - July 1, 2015	-	7,027,755	3,118,248	(9,131,688)	80,045,683	822,645	430,383	88,777,223
Nonspendable/Assigned/Restricted	3,452,570	-	-	-	-	-	-	3,452,570
Unassigned	2,160,723	-	-	-	-	-	-	2,160,723
Restatement	(4,318)	-	-	(4,253)	250,883	-	-	242,312
Fund Balance/Net assets - June 30, 2016	-	8,439,301	2,910,637	(9,000,649)	77,531,701	1,095,596	466,016	96,059,590
Nonspendable/Assigned/Restricted	3,693,353	-	-	-	-	-	-	3,693,353
Unassigned	1,550,114	-	-	-	-	-	-	1,550,114
Total Fund Balance - June 30, 2016	5,243,467	-	-	-	-	-	-	5,243,467

OVERVIEW OF BUDGETED RESOURCES

OVERVIEW OF BUDGETED RESOURCES

SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES Actual July 1, 2014 through June 30, 2015 (FY 15)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Component Units	Total All Funds
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust & Agency		
Revenues									
Taxes & Assessments	22,701,709	6,632,467	3,172,156	-	-	-	-	3,393,881	35,900,213
Licenses & Permits	1,340,961	2,322,461	-	-	1,386	-	-	-	3,664,808
Intergovernmental	13,254,488	5,070,576	-	770,333	39,135	-	14,510	990,645	20,139,687
Charges for Services	4,860,022	1,508,078	-	-	9,117,251	-	-	2,382,897	17,868,248
Fines & Forfeitures	1,308,935	17,574	-	-	-	-	133,971	-	1,460,480
Miscellaneous	672,154	68,783	-	95,808	256,024	-	-	59,516	1,152,285
Investment Earnings	-	1,931	14,406	(1,883)	(767)	-	-	125,123	138,810
Internal Service	-	-	-	-	-	4,742,807	-	-	4,742,807
Total Revenues	44,138,269	15,621,870	3,186,562	864,258	9,413,029	4,742,807	148,481	6,952,062	85,067,338
Expenditures									
General Government	8,402,459	1,786,787	153	13,423	-	-	-	-	10,202,822
Public Safety	26,232,341	1,779,897	-	-	-	-	105,584	-	28,117,822
Public Works	5,889,494	833,757	-	153,132	10,773,058	-	-	6,612,385	24,261,826
Public Health	1,644,431	-	-	-	-	-	-	-	1,644,431
Social and economic services	210,000	-	-	-	-	-	-	-	210,000
Culture and recreation	3,921,649	512,391	-	-	1,916,672	-	-	-	6,350,712
Housing & Community Development	45,000	1,366,431	-	-	-	-	-	978,400	2,389,831
Miscellaneous	-	-	-	-	-	-	-	-	-
Debt Service	565,485	713,619	3,382,851	870,752	-	-	-	-	5,532,707
Capital Outlay	534,335	3,150,266	-	4,793,183	-	-	-	-	8,477,784
Business-type	788,789	-	-	-	-	5,637,996	-	-	6,426,785
Total Expenditures	48,233,983	10,143,148	3,383,004	5,830,490	12,689,730	5,638,017	105,584	7,590,785	93,614,741
Other Financing Sources (Uses)									
Transfers In	5,548,469	247,297	119,016	1,312,983	203,000	692,000	-	-	8,122,765
Transfers Out	(1,988,666)	(5,648,123)	(416,266)	(12,900)	(50,213)	(6,595)	-	-	(8,122,763)
Payments - Refunded Bond Escrow	-	-	-	-	-	-	-	-	-
Proceeds from Refunding Bond	-	-	-	-	-	-	-	-	-
Proceeds from LT Debt	587,997	1,037,050	-	1,534,597	-	-	-	-	3,159,644
Gain on disposal of fixed assets	-	-	-	-	8,279	-	-	-	8,279
Property Taxes	-	-	-	-	-	-	-	-	-
Contributions from Property owners	-	-	-	-	-	-	-	-	-
Contributions-government activities	-	-	-	-	85,001	-	-	-	85,001
Intergovernmental Revenues	-	-	-	-	236,252	-	-	-	236,252
Investment & Royalty Earnings	-	-	-	-	3,282	826	-	-	4,108
Debt Service Interest expense	-	-	-	-	(924,931)	-	-	-	(924,931)
Total Other Financing Sources (Uses)	4,147,800	(4,363,776)	(297,250)	2,834,680	(439,330)	686,231	-	-	2,568,355
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	52,086	1,114,946	(493,692)	(2,131,552)	(3,716,031)	(208,979)	42,897	(638,723)	(5,979,048)
Fund Balance/Net assets - July 1, 2014		5,741,357	3,611,937	(7,363,702)	85,349,339	1,031,622	828,907	2,319,249	97,088,510
Nonspendable/Assigned/Restricted	3,026,537	-	-	-	-	-	-	-	-
Unassigned	2,543,264	-	-	-	-	-	-	-	-
Restatement	(8,594)	171,177	-	363,570	(1,587,625)	-	-	(829,622)	(1,891,094)
Residual Equity Transfer	-	-	-	-	-	-	(441,421)	-	(441,421)
Fund Balance/Net assets - June 30, 2015		7,027,480	3,118,245	(9,131,684)	80,045,683	822,643	430,383	850,904	88,776,947
Assigned/Restricted	3,452,570	-	-	-	-	-	-	-	-
Unassigned	2,160,723	-	-	-	-	-	-	-	-

Assumptions, Estimates, & Trends

Overview

Funding for services provided to City of Missoula residents comes from a variety of sources. The City strives to maintain a diversified and stable revenue system that will provide shelter from short-term fluctuations in any one revenue source and ensure the ability to provide ongoing services, within the confines of Montana Law. The City of Missoula is heavily reliant upon a property tax levy for its General Fund, which is explained in greater detail on the following pages. The City will continue its policy of seeking alternative revenue sources to lower the tax burden for City services, charging users for specific services where feasible, and aggressively collecting all revenues due the City. Enterprise fund revenues are generated through direct fees for service.

City revenues are divided into nine basic categories: Taxes and Assessments; Licenses and Permits; Intergovernmental Revenue; Charges for Services; Fines and Forfeitures; Miscellaneous Revenue; Investment Earnings; Bond Proceeds and Other Financing Sources; and Inter-fund Transfers.

Taxes and Assessments: This revenue is derived from the levy of taxes on real property and personal tangible property. Examples of taxes are property taxes and local option motor vehicle taxes.

Licenses and Permits: Revenues derived from the issuance of local licenses and permits.

Intergovernmental Revenue: Revenues received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes (PILT). State entitlement, grants, and PILT are examples of Intergovernmental Revenue.

Charges for Services: All revenues stemming from charges for current services—primarily revenues of Enterprise and Internal Service Funds. Examples of charges for services are the monthly/semi-annual sewer use charge, building permits, and engineering fees.

Fines and Forfeitures: Revenues received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Examples include: traffic fines, court fines, victim witness fines and bonds forfeited.

Miscellaneous Revenue: Revenue from sources not otherwise provided in other categories. Rent is an example of a miscellaneous revenue.

Investment Earnings: Revenue derived from the investment of available cash balances. Interest income is allocated proportionately to funds authorized by law to accrue interest, based on their respective cash balances.

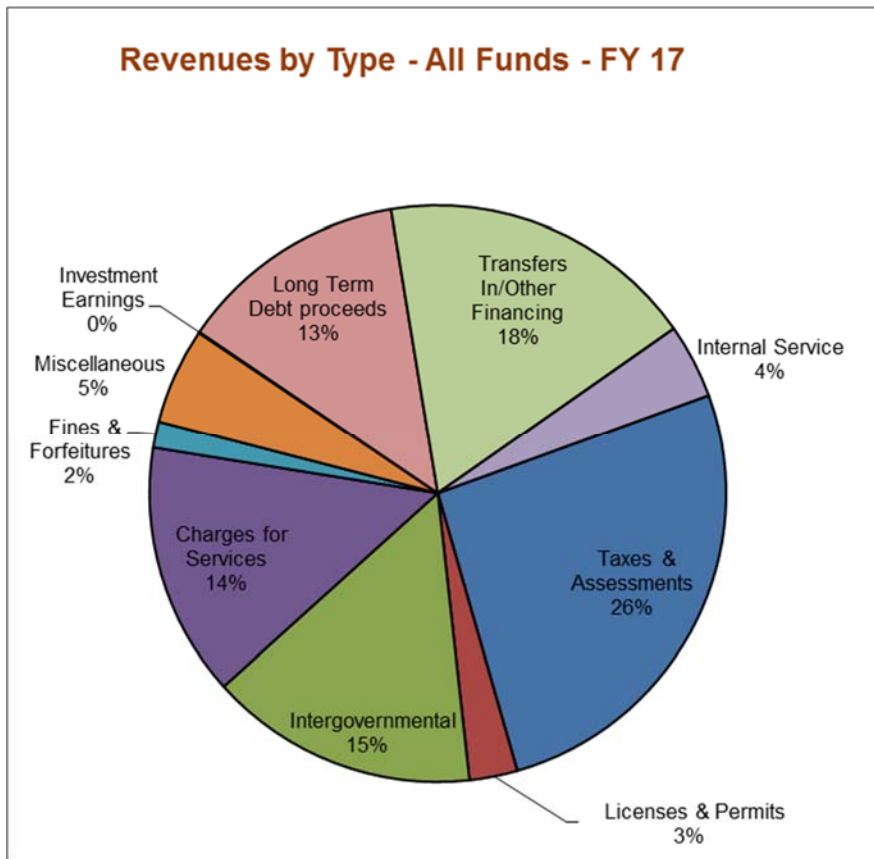
Bond Proceeds and Other Financing Sources: These revenues consist of the debt proceeds received by the City to finance various types of capital improvements.

Interfund Transfers: Transfers between individual funds of a governmental unit are not repayable and are not considered charges for goods or services. An example is matching funds transferred from the General Fund and other special revenue funds to the Capital Improvement Fund for the funding of capital projects.

MAJOR REVENUE SOURCES

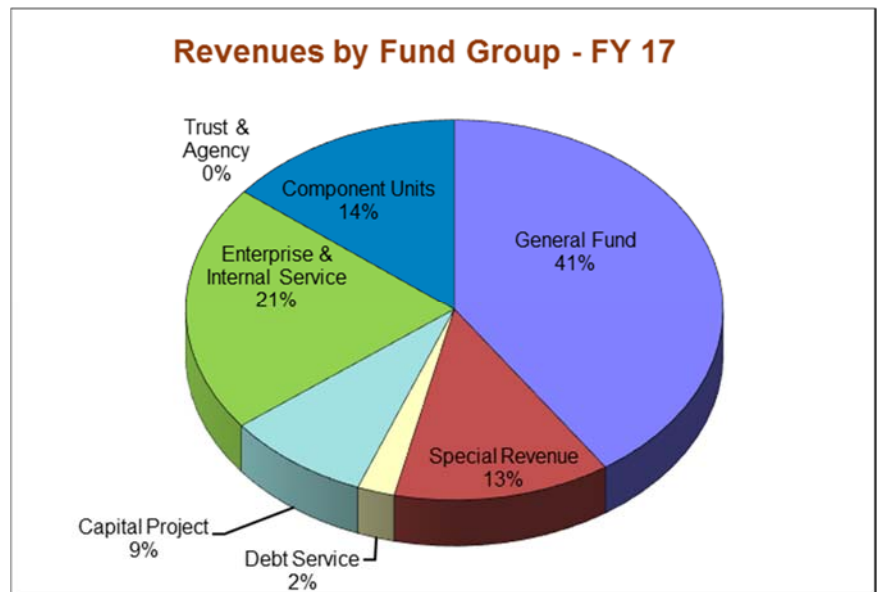
Assumptions, Estimates, & Trends

The two pie charts (on the left and below) give a graphic overview of total City revenues —one by the sources described on the previous page and the other by major fund group.



As depicted by the graph of revenues “by type”, the Taxes and Assessments category and Transfers In/Other Financing Sources make up the two largest categories of City revenues for FY 2017 (44%). Intergovernmental Revenues make up the next largest category (15%). Finally, Charges for Services (14%) and Long Term Debt Proceeds (13%) make up the fourth and fifth largest categories. These revenue categories make up 86% of all City revenues.

Revenues by Fund Group also help give the reader a look at the “Big Picture” of City revenues. As shown by the graph on the right, the General Fund (41%), Enterprise & Internal Service Funds (21%), Component Units (14%), and Special Revenue Funds (13%), make up 89% of the City’s revenues.



Assumptions, Estimates, & Trends

Revenue Forecast Assumptions & Methodology

Forecasting as used in the budget refers to estimating future changes in revenues. It provides an estimate of how much revenue will be available and the resources required to meet current service levels and programs over the forecast period. The value of forecasts is in estimating whether, given assumptions about local financial policies and economic trends, the City will have sufficient resources to meet requirements of ongoing, planned, or mandated programs. Forecast models have the added value of providing a planning tool for capital projects and/or indicate when bonded indebtedness will be required for capital funding. In short, forecasting provides an estimate of the financial flexibility of the City, as well as insight into tax, revenue, and service options the City Council must address. Our forecasting methodology reflects a combination of internal analysis and locally generated consensus forecasts covering such factors as population growth, revenue trends, and inflation. Specifically, for the revenue forecasts, we begin with models that include prior year actual collections and project the balance of the current fiscal year based on prior year patterns. In general, we seek to match revenue sources with the economic and/ or demographic variables that most directly affect year-to-year changes in those revenues.

Methods to project the revenues suggested in the budget vary depending upon the type of revenue examined. However, the most common method used is **Trend Analysis** and especially a year-to date approach. Examination of a variety of revenue sources on a monthly basis, have revealed consistent patterns in monthly collections. Trends are identified, along with an analysis of whether or not the trend is likely to continue. These have been good indicators of revenue collections during the course of a year and help to set a basis for future projections. Forecast variances are analyzed and used to improve forecasting in future periods. **Expert Judgment** is a projection methodology that relies upon individual department directors and financial managers to make projections for the revenues that affect their operations.

Revenue Estimates

The National Advisory Council on State and Local Budgeting prepared a set of recommended practices relating to governmental revenue estimates. Stated below are some excerpts from their recommended practices, along with the City of Missoula's revenue estimate practices.

Projection of revenues and other resources is critical in order to understand the level of funding available for services and capital acquisition. Projections for future budget periods help determine the likelihood that services can be sustained and highlight future financial issues to be addressed. Preparing revenue projections also enhances our understanding of revenue sensitivity to changes in assumptions and to controllable factors such as changes to tax rates or fees.

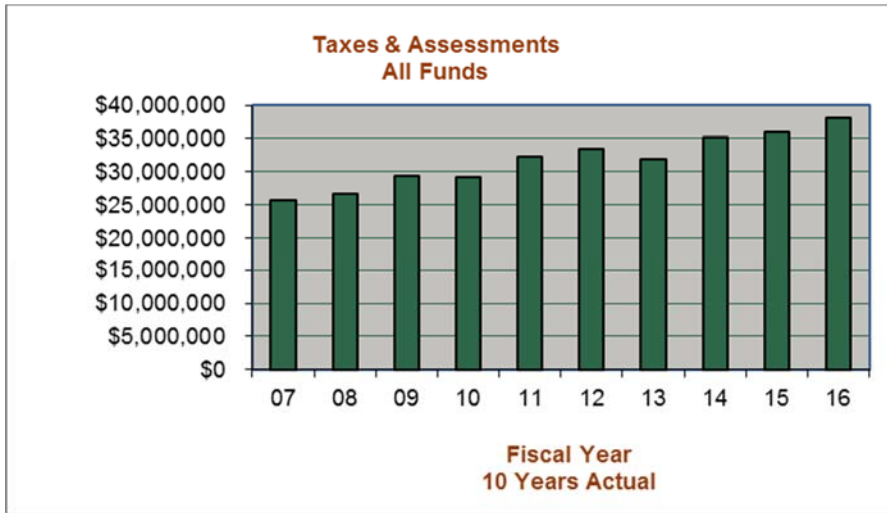
One of the key analytical tools, to assist in the development of revenue estimates, is the comprehensive five year financial forecast. This forecast considered key revenue and expenditure projection factors such as population, increases in the consumer price index (CPI) and other growth factors. The trending of these key factors and their effect on revenues and expenditures for the past ten years provided a historical basis for the five year financial forecast. The first City of Missoula forecast was prepared in 2003 and it has been updated annually since then. Overall, the City's practice is to budget revenues conservatively and to use as much information as possible to enhance the accuracy of revenue estimates. By identifying and utilizing as many revenue-related variables as possible in forecasting, we hope to minimize the risks of overstating or understating revenues that could arise from using only a few variables. The approach to forecasting, in general, is to apply a conservative philosophy that will produce the long-term goal of not overstating revenues. Most estimates involve two projections: an estimate for the amount to be collected in the current year based on year-to-date activity; and an estimate for the increase or decrease in receipts anticipated for a future budget year. As part of the mid-year budget review process, the revenue assumptions included in the forecast are comprehensively reexamined based on actual results for 2013-15 as well as emerging trends at the mid-point of the year.

Individual revenue categories, their trends, and estimates follow. The revenue estimates described below represent 88% of total City revenues.

MAJOR REVENUE SOURCES

Assumptions, Estimates, & Trends

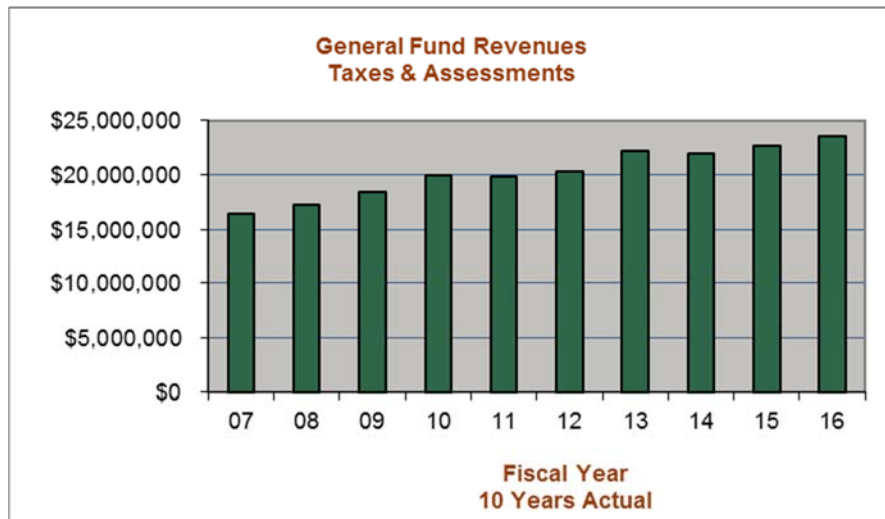
Key Revenue Estimates & Trends



Shown by the graph to the left are **Taxes and Assessments** for all City funds, over a 10-year period (10 years actual from FY 2007 – FY 2016). The graph reflects the steady growth the City of Missoula is experiencing. Certain debt service levies and assessments go down in some years as the debt is paid off. Property taxes,

which comprise the majority of this revenue category, are dependent upon a combination of taxable values and mill levies. A modest increase of 3.83% was budgeted for FY 2017.

The graph on the right shows actual **General Fund Taxes & Assessments** for the last 10 years. Although not displayed on the graph, there was very little growth in General Fund taxes from FY 2001 – FY 2002 due to the slow economy and the lack of annexations. As the economy accelerated so did the number of annexations and actual growth until the recession beginning in FY 2009 until FY 2012. After FY 2012 the growth again continued in the taxes and assessments categories.



MAJOR REVENUE SOURCES

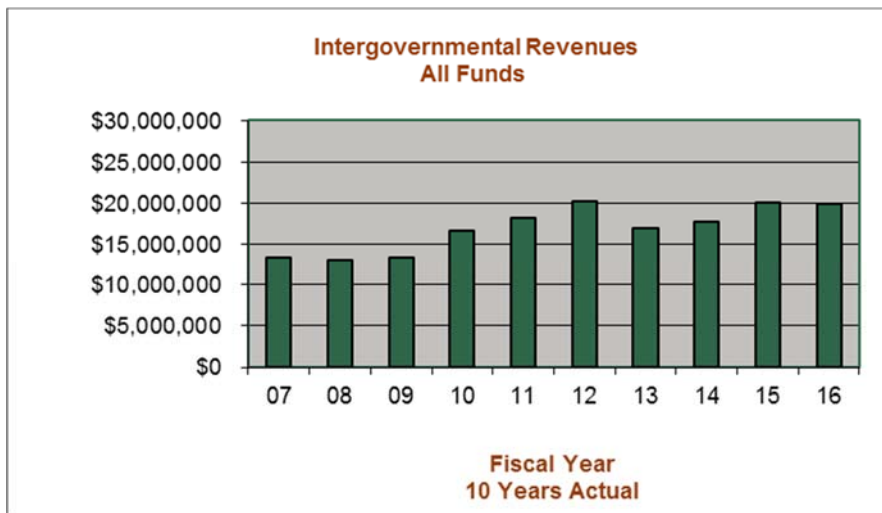
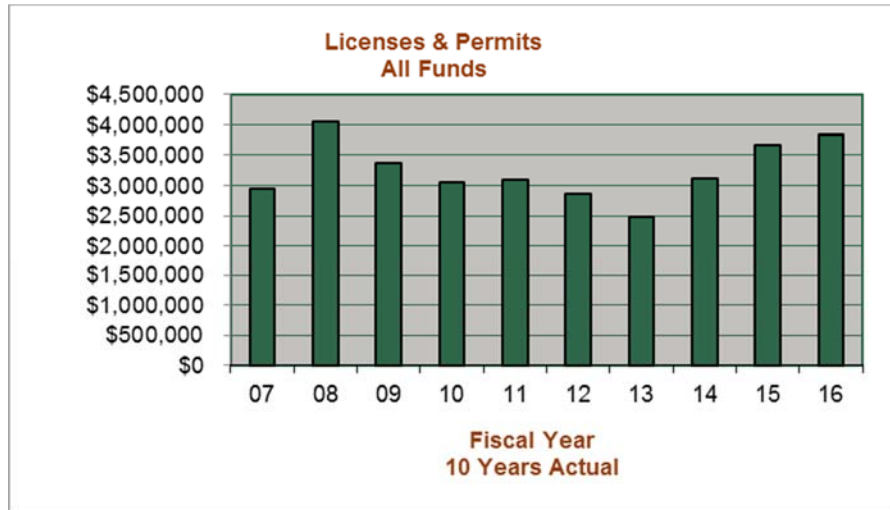
Assumptions, Estimates, & Trends

Licenses & Permits

for all City funds are shown on the right. A decline occurred between FY 2001 (not shown) and FY 2002 due to the State Legislature's elimination of several revenue sources (categorized as Licenses & Permits) which the Legislature replaced with entitlement revenues (HB124 revenue).

The decline from FY

2008 to FY 2013 was due to the economic slowdown experienced by the nation and the City of Missoula.

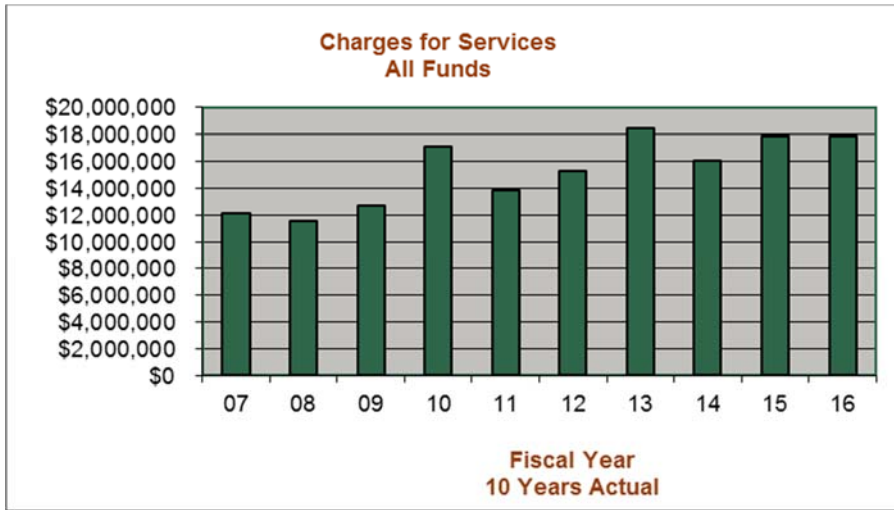


The increases in **intergovernmental revenues** (not shown but especially from FY 2001 through FY 2003) reflect the State Legislature's distribution of entitlement revenues to City governments. Since the increase in FY 2003, these revenues have remained relatively stable although the level of grant receipts has fluctuated

significantly from year to year. In addition to the entitlement revenues, this category also includes grants and State reimbursement for services provided by the City.

MAJOR REVENUE SOURCES

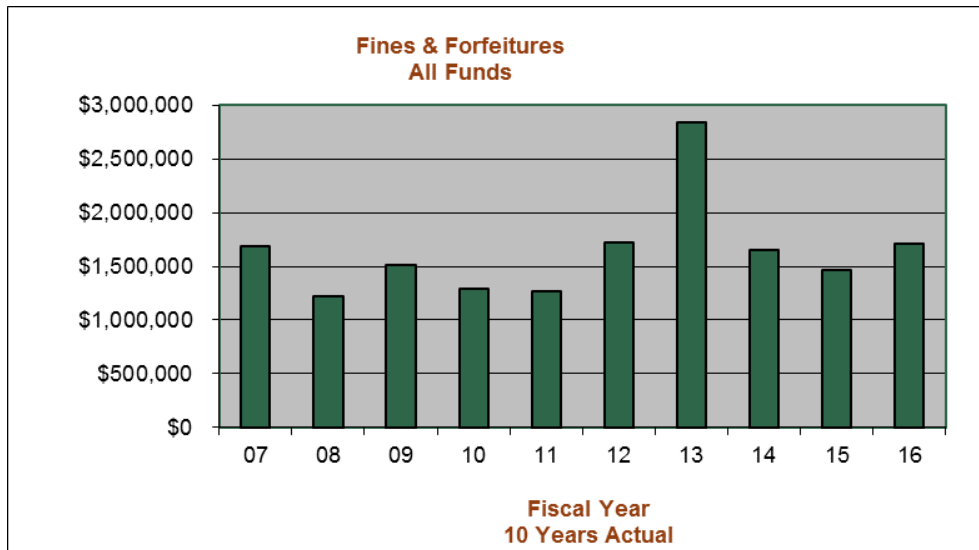
Assumptions, Estimates, & Trends



Charges for services, for all funds, represent 14% of total City revenues. This category is dominated by revenues in the City's Enterprise Funds, which include the sewer charges and City Health Plan premiums. Many of these revenues are growth related such as engineering fees,

zoning fees, subdivision fees, building permits, impact fees and similar revenues. This source is anticipated to be maintained at the FY 2013 level or greater for the foreseeable future.

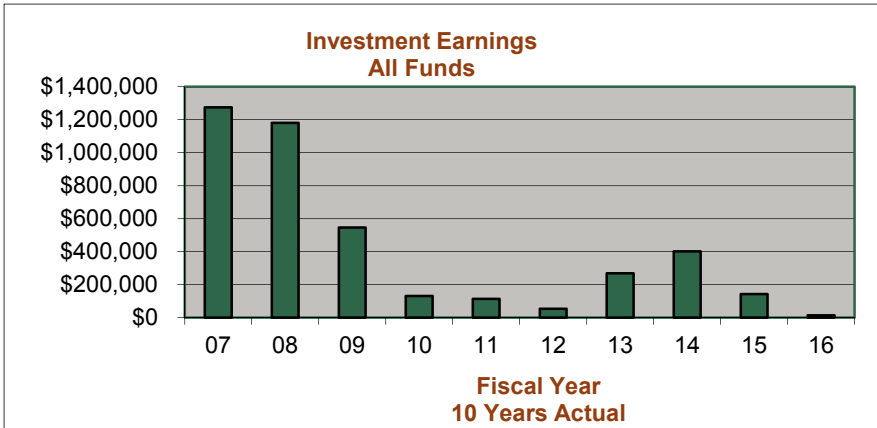
To a large extent, **Fines and Forfeitures**, within the General Fund, reflect the growth in the City of Missoula. As shown by the graph, fines and forfeitures have increased from \$1,686,934 in



FY 2007 to \$1,704,692 in FY 2016. The decrease in FY 2008 and FY 2010 was the result of staffing shortages in Police due to officers being called up to active duty in the armed forces and a significant number of workers compensation injuries that temporarily reduced staffing. This revenue stream is dependent on being fully staffed in the Police Department.

MAJOR REVENUE SOURCES

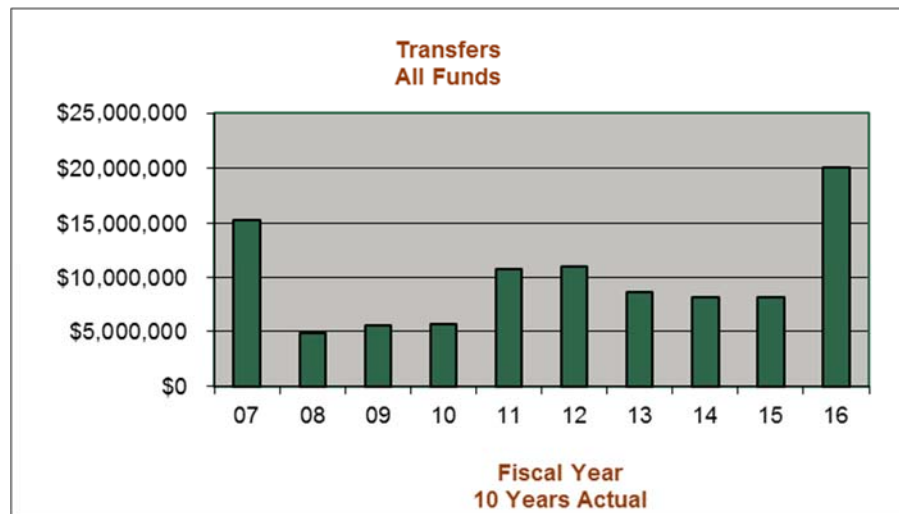
Assumptions, Estimates, & Trends



Investment earnings reflect a combination of available cash balances together with the interest rate the City is able to obtain. As shown by the graph, investment earnings have been quite volatile, with sharp declines occurring in FY 2009 and FY 2010 through FY 2014 which

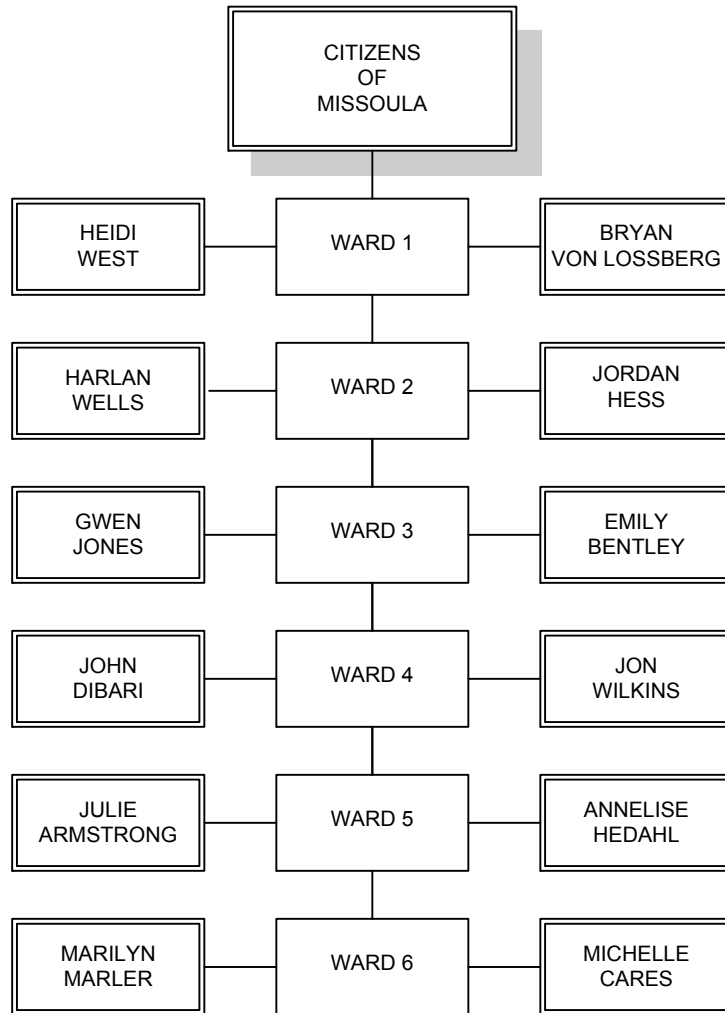
correspond to the decline in interest rates nationally in those years. Interest earnings in FY 2017 are expected to be similar to FY 2016, as interest rates are near 50-year lows nationally.

Transfers that occur between various City funds will fluctuate significantly from year to year, as can be seen from the following graph on the right.





City Council



Program Description

As the elected, policy making body for the City of Missoula, it is the City Council's duty to set policies that will assist all City departments in promoting the general health, safety and welfare of city residents.

**City Strategic Plan &
Department's Implementation Strategy**

Goal #1: Quality of Life for All People in All Places

- Strategy: The City Council, with continued public involvement, will continue to support and enact resolutions and ordinances that reflect the goals and objectives identified in the City's Strategic Plan.
 - Strive to improve public facilities and the quality of services delivered, in order to meet the needs of the citizenry and to assure revenues necessary to support these facilities and services.
 - Cooperate with other governmental bodies in order to provide services efficiently and effectively and in a manner resulting in the most equitable distribution of tax burden attainable.
 - Continue to create, review and implement methods of developing and reviewing municipal policies and procedures.
 - Develop a broadly-based City-wide support for economic development and foster coordination of public and private resources as a means of enhancing economic prosperity and environmental quality.
 - Continue to promote two-way communication with the public on City issues.
 - Work closely with the administration, and other government officials in lobbying for state legislation which will benefit cities.

2016 Budget Highlights

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 280,449	\$ 344,914	\$ 287,933	\$ 349,637	\$ 4,723	1%
Supplies	363	1,850	2,915	1,850	-	0%
Purchased Services	28,966	54,010	26,228	35,222	(18,788)	-35%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 309,779	\$ 400,774	\$ 317,076	\$ 386,709	\$ (14,065)	-4%

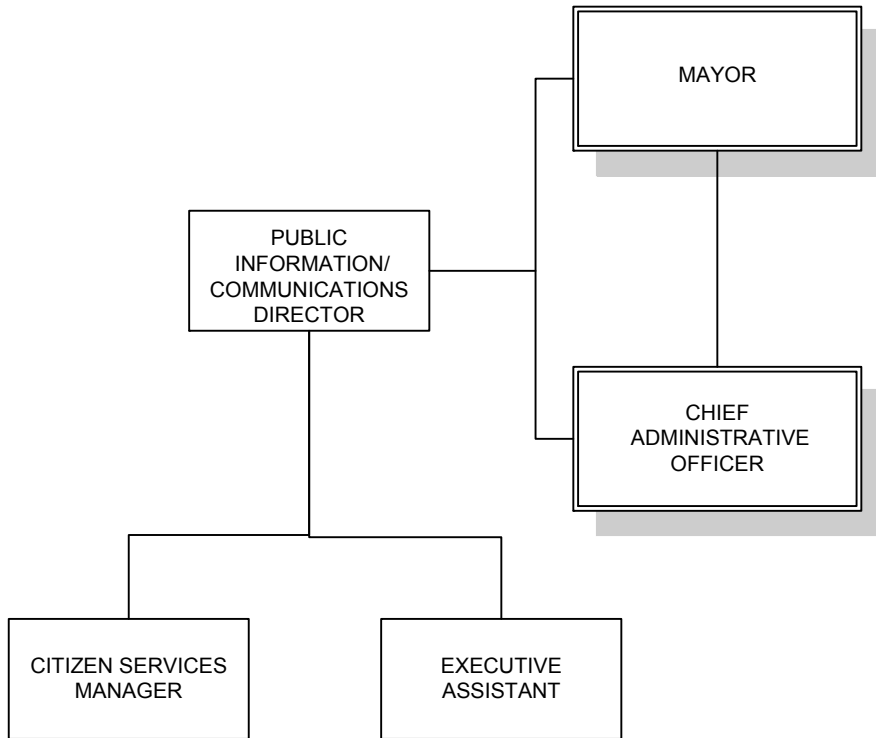
* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
WARD 1 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 1 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 2 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 2 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 3 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 3 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 4 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 4 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 5 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 5 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 6 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 6 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
Total	12.00	12.00	12.00	12.00



Mayor's Office



Program Description

The mayor is the chief executive for City government and is responsible for oversight and supervision of all departments in a line of authority running through the chief administrative officer to assure that all City services are delivered to the citizens of Missoula in an effective, efficient and equitable manner. The mayor serves as a catalyst for developing community-wide goals and works to establish public and private partnerships with citizens, governmental and quasi-governmental entities for the benefit of achieving community objectives. The mayor makes appearances at various activities and functions in his official capacity.

The Public Information and Communications program serves as the media and public information liaison for the mayor and the City and provides information about City affairs to its citizens. This activity provides direct and indirect services that enhance communication and relationships among employees, administrators, City Council, the boards and commissions and the public. The Communications Office also guides programming for the contracted government programming hours on Missoula Community Access Television (MCAT).

City Strategic Goals & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - The Mayor's Office will acquire and implement software to provide dashboard-style metrics for management and public needs to improve performance in all City departments.
 - The Mayor's Office will retain a consultant to update a facilities plan to determine necessary City space for the next 20 years.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
 - During this year, the Mayor's Office will integrate the water system into the City of Missoula as a healthy, sustainable municipal utility.

Goal #3: Quality of Life for All People in All Places

- Strategy: We will work to provide affordable housing for the work force of Missoula.
 - The mayor's housing initiative will include the work of a newly hired housing director who, under the guidance of the Missoula Redevelopment Agency director, the Chief Administrative Officer and the mayor, will execute a transition plan for CDBG, HOME and brownfield grant programs to the City of Missoula, work to develop a housing policy and will assimilate the implementation of the 10-year Plan to End Homelessness.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 554,334	\$ 498,571	\$ 504,657	\$ 517,425	\$ 18,854	4%
Supplies	1,481	2,732	2,119	2,732	-	0%
Purchased Services	22,737	30,208	26,062	30,208	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 578,552	\$ 531,511	\$ 532,838	\$ 550,365	\$ 18,854	4%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
MAYOR***	1.00	1.00	1.00	1.00
CHIEF ADMINISTRATIVE OFFICER	1.00	1.00	1.00	1.00
ADMINISTRATIVE SERVICES/PROJECT MANAGER	1.00	-	-	-
CITIZEN SERVICES MANAGER	-	1.00	1.00	1.00
EXECUTIVE ASSISTANT	1.00	1.00	1.00	1.00
PUBLIC INFORMATION/COMMUNICATIONS DIRECTOR	1.00	1.00	1.00	1.00
Total	5.00	5.00	5.00	5.00

*** Denotes: Elected Official

2017 Budget Highlights

Capital Outlay

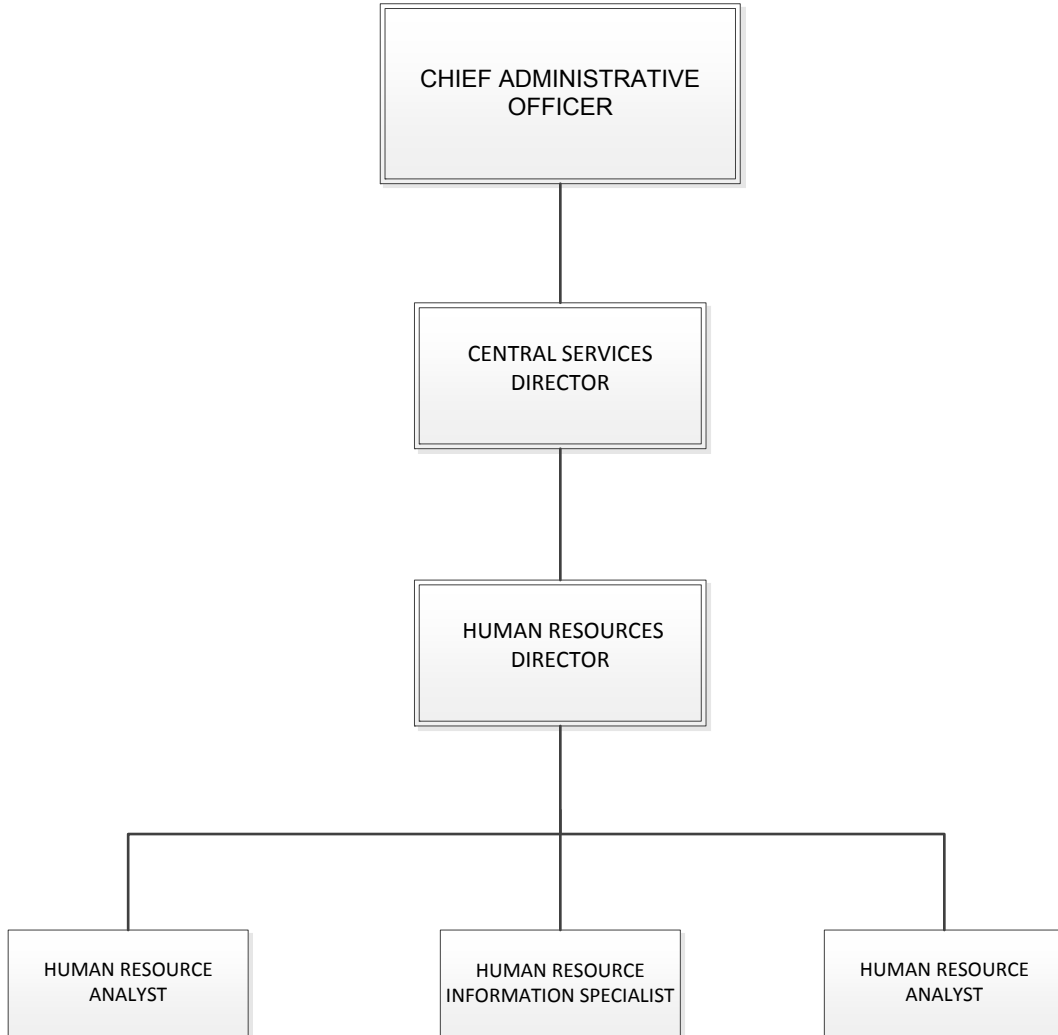
- There is no capital outlay proposed for FY 2017.

Budget

- Manage a balanced budget and maintain services.



Human Resources



Program Description

The primary purpose of the Human Resources department is to develop and maintain the programs and policies necessary for the equitable treatment and development of City employees. The major activities of the department are: human resources program administration, EEO/AA/ADA compliance, labor and personnel relations, recruitment and selection, compensation, benefits and training.

City Strategic Plan & Department's Implementation Strategy

Fiscal Sustainability

- Strategy: Provide Human Resource services to department leaders supporting their efforts to provide services to the citizens of Missoula.
 - Strategy: Develop creative approaches to enable the City of Missoula to recruit and retain qualified employees at a time when Baby Boomers are exiting the workforce and competition for talented employees is increasing.
 - Succession planning.
 - Skill and competency based pay
 - Retention of experienced workers through flexible scheduling, benefits, work/life balance and mentoring programs.
 - Training and development.
 - Strategy: Work with department leaders to manage employment risk.
 - Revise, update and implement personnel policies and procedures.
-

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 270,082	\$ 265,822	\$ 273,939	\$ 284,330	\$ 18,508	7%
Supplies	3,268	3,115	716	3,115	-	0%
Purchased Services	39,027	42,983	29,285	42,983	-	0%
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total	\$ 312,377	\$ 311,920	\$ 303,940	\$ 330,428	\$ 18,508	6%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES ANALYST	2.00	2.00	2.00	2.00
HUMAN RESOURCES INFO SPEC	1.00	1.00	1.00	1.00
Total	4.00	4.00	4.00	4.00

2016 Budget Highlights

Professional Services

- Research and develop more efficient and effective methods of training and staff development for all employees. Develop skill and training program to match requirements of skill based pay.
- Develop innovative ways for reducing health care costs while maintaining employee satisfaction.
- Work with vendors and providers to implement the effects of health care reform on the City of Missoula Health Benefit Plan.

 Performance Measures & Workload Indicators
Performance Measures

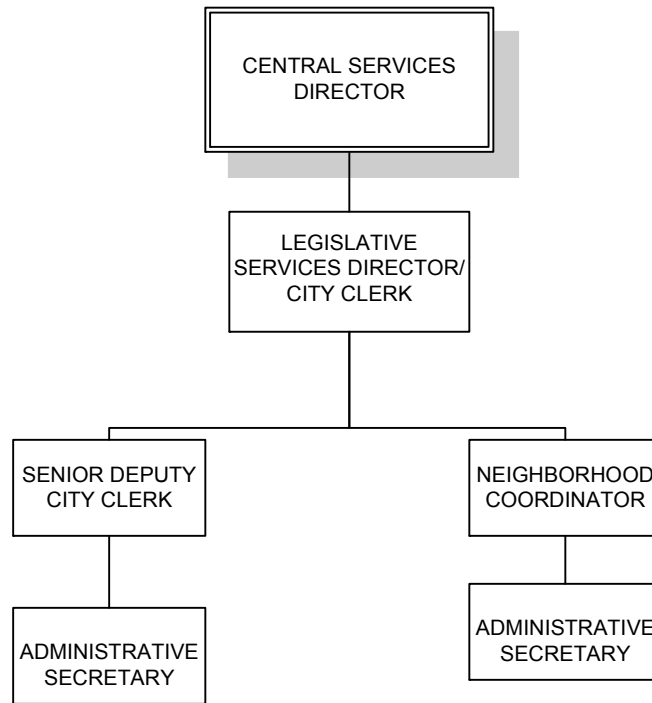
Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Number of recruitments.	67	55	112	80
2 . Average number of applications per recruitment.	35	47	62	40
4 . New cases with work days lost due to work related injuries.	21	4	12	4
5 . Number of employee complaints filed with the Human Rights Commission.	3	-	-	
6 . Number of employee complaints filed in District Court.	-	-	-	
7 . Number of arbitration hearings settled and/or resolved	-	-	-	

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Number of applications for recruitments.	2,361	2,601	4,111	2,600
2 . Workers' compensation claims	67	47	58	50
3 . New Hires	223	172	268	150
4 . Terminations	229	149	185	160
4 . Union grievances settled and/or resolved	-	-	5	-
5 . Non-union grievances settled and/or resolved	-	-	2	-
5 . Employment related complaints	-	-	-	-
6 . Health Plan changes and amendments	3	2	1	-
7 . Reclassification requests	12	6	23	-
8 . Collective Bargaining Agreements to negotiate	2	10	4	-
9 . Health insurance appeals	5	7	5	-
10 . Formal employee disciplinary issues and terminations	-	8	6	-
11 . Employee pay, benefit and status changes	1,256	1,250	1,700	-
12 . Accommodations under the ADA	-	2	1	-
13 . Requests for Family Medical Leave	39	51	33	40



City Clerk's Office



Program Description

It is the mission of the City Clerk Office staff to efficiently and courteously communicate and provide information, advice and services to Missoula’s citizens, elected officials, neighborhood councils, and city employees. The City's neighborhood office is part of the City Clerk Office providing community outreach, volunteer coordination, training and grant administration services to Missoula's neighborhoods.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula’s economy.
 - Research business processes that can be automated in order to improve efficiency and access to information.
 - Research migrating city records currently stored in the city vault to a paperless, electronic storage system.
 - Migrate the updated and established Missoula Municipal Code to the MuniCode online platform.

Goal #2: Quality of Life for All citizens

- Strategy: We will continue to support plans and programs that promote a healthy lifestyle for Missoula’s citizens.
 - Continue to work with neighborhood councils to serve Missoula citizens.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 271,562	\$ 300,305	\$ 301,107	\$ 318,741	\$ 18,436	6%
Supplies	5,068	3,425	2,103	6,026	2,601	76%
Purchased Services	30,723	100,533	51,638	57,399	(43,134)	-43%
Miscellaneous	27,059	67,939	42,823	64,580	(3,359)	-5%
Debt Service	-	-	-	-	-	
Capital Outlay	1,040	-	17,931	-	-	
Total	\$ 335,451	\$ 472,202	\$ 415,602	\$ 446,746	\$ (25,456)	-5%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
CITY CLERK/RECORDS MANAGER	1.00	1.00	1.00	1.00
SENIOR DEPUTY CITY CLERK	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT IV	1.00	1.00	1.00	1.00
NEIGHBORHOOD COORDINATOR	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT II	-	1.00	1.00	1.00
Total	4.00	5.00	5.00	5.00

2016 Budget Highlights

None

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Customer Requests Served in Less than 10 Minutes	90%	90%	90%	90%
2 . Council Meeting Minutes Ready By Next Meeting	82%	81%	79%	83%
3 . Council Minutes Approved With No Corrections	100%	98%	100%	100%

Historical data has been estimated.

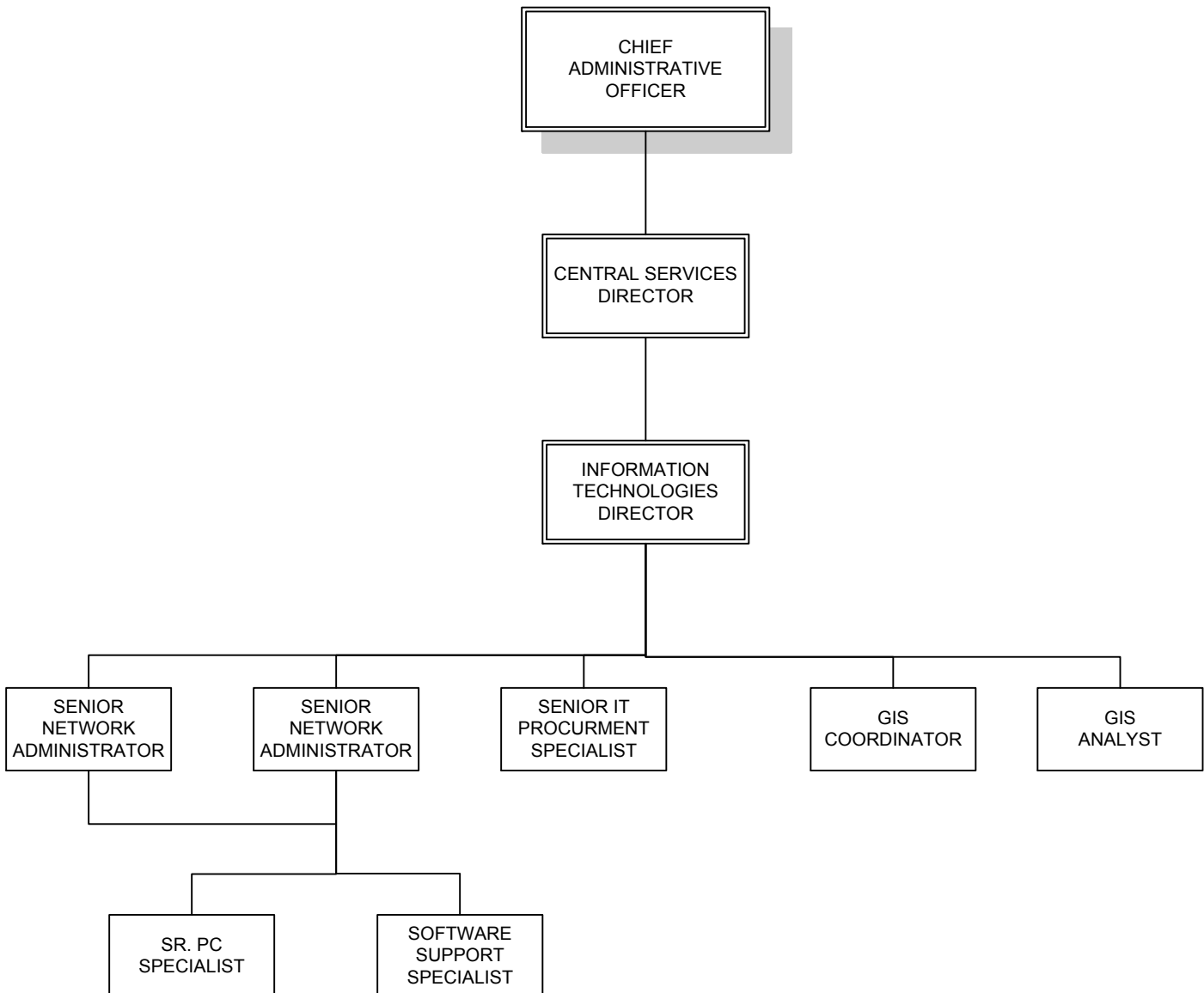
Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Agreements Processed	161	247	255	233
2 . Deeds Processed	3	18	21	7
3 . Easements Processed	29	31	67	51
4 . Miscellaneous Documents Processed	18	34	25	37
5 . Sewer Agreements Processed	55	44	62	17
6 . Ordinances Processed	17	18	31	31
7 . Petitions Processed	43	33	45	32
8 . Resolutions	63	80	106	113
9 . Average Length of Council Meetings (in hours)	1:38	1:01	1:23	1:24

Historical data has been estimated.



Information Technologies



Program Description

It is the mission of Information Technologies (IT) to deliver network services critical to the achievement of citywide goals and objectives. We also have built and will continue to build a Quality, Sustainable IT infrastructure. Technology is a key element of the citywide infrastructure and is current, secure and reliable – ensuring employee confidence. This is accomplished by:

- Supporting the decision making process through easy access to city information.
- Providing customer service and support for the core computer systems.
- Assisting with the purchase, installation and management of over 500 computers and servers on a City-wide local and wide area network
- Lending our Technology expertise, and offering consulting support services to City Departments.
- Provide Enterprise security measures for mission-critical applications that require high availability through our custom built cloud system.

City Strategic Plan & Department's Implementation Strategy

Fiscal Sustainability

- Strategy: We will sustain and enhance our ability to be an efficient, effective, accountable, responsive and respected City Organization
 - Consolidate GIS platform into a single MSSQL database server
 - Electronic Plan Review for Automation
 - Expand on Automation Asset Management
 - Phone system replacement project start up in January 2017
 - Continue expandable storage project
 - Core hardware upgrade project
 - Unified commuting platform project
 - Continue to enhance the Automation Platform
 - Continue 100% software license compliance.
 - Long range planning for disaster recovery and business continuity.
- Responsibilities:
 - We provide financial management, help-desk services, and administration of the telecommunications fund, IT operating account, which includes centralized purchasing of all computer related equipment and software.
 - Continue to keep user desktops up to date with the latest software
 - Continue to provide network security, reliability and performance
 - We support nearly 500 employees, 450 telephones, 450 workstations, 100 mobile devices and over 100 physical and virtual servers.
 - Take a leadership role in the research, selection and implementation of new technologies that will help improve city services.
 - April 1, 2014 the IT department assumed the responsibility of the City and County Wide Public Safety Network administration. This includes hosting and maintaining all hardware and software for 911, Missoula Jail, Missoula County Sherriff, Missoula County Fire agencies, Missoula City Fire and the Missoula City Police Department. This Public Safety Network interfaces with City and County Attorney offices, as well as City Municipal Court. This strategic centralized administration of the County Wide Public Safety Network will consolidate many applications and provide a single platform for co-operative interactions with all City and County Public Safety agencies. There are over 400 city and county employees on this new platform.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 441,193	\$ 592,608	\$ 594,561	\$ 609,258	\$ 16,650	3%
Supplies	18,490	22,699	10,777	27,234	4,535	20%
Purchased Services	349,732	582,665	534,729	584,189	1,524	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 809,415	\$ 1,197,972	\$ 1,140,067	\$ 1,220,681	\$ 22,709	2%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
INFORMATION TECHNOLOGIES DIRECTOR	1.00	1.00	1.00	1.00
SENIOR NETWORK SYSTEM ADMINISTRATOR	1.00	1.00	1.00	1.00
NETWORK SYSTEMS ADMINISTRATOR	1.00	1.00	1.00	1.00
SENIOR PC SPECIALIST	1.00	-	-	-
HELPPESK TECHNICIAN	-	1.00	1.00	1.00
SOFTWARE SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
PROCUREMENT SPECIALIST	1.00	1.00	1.00	1.00
SENIOR GIS TECHNICIAN *	-	-	1.00	1.00
GIS TECHNICIAN *	-	-	1.00	1.00
Total	6.00	6.00	8.00	8.00

* GIS integrated into IT in FY16

2017 Budget Highlights

New Operating Requests Funded:

- Server Virtualization Consolidation and Maintenance Program \$67,000

Total \$67,000

Performance Measures & Workload Indicators

Performance Measures

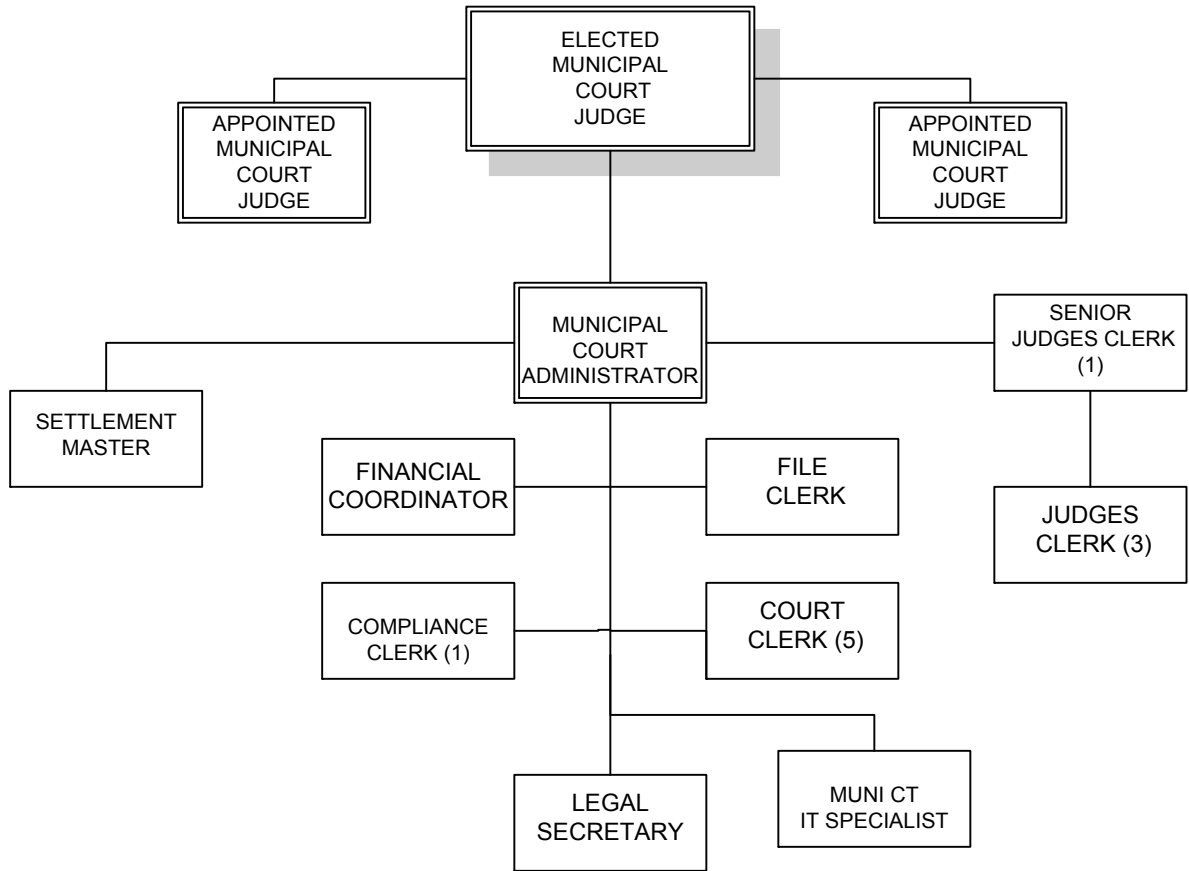
Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Percent of requests that met service level agreements	100.00%	100.00%	99.00%	100.00%
2 . Average ratio of open to complete incidents per month	136/136	180/180	166/166	150/150
3 . Percent of network service availability	99.80%	99.90%	99.90%	99.80%
4 . Customer satisfaction rating based on Customer Survey. Percent rating of good to excellent.	100.00%	100.00%	100.00%	100.00%
5 . Average percent of computers with current updates.	90.57%	90.00%	75.00%	95.00%

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Users supported	495	497	495	495
2 . Average number of Helpdesk requests per month	136	180	166	166
3 . Computers and laptops supported	195	202	205	205
4 . Thin Clients supported	252	261	256	261
5 . Servers supported	103	125	117	125
6 . Tier 1 software applications supported	49	49	51	49
7 . Tier 2 software applications supported	26	27	28	27
8 . Tier 3 software applications supported	48	48	50	50
9 . Phones supported	440	445	462	445
10 . Easement/Conveyance reviewed or created	402	60	40	65
11 . Released for construction and as-built drawings	15	38	45	45
12 . Number of Sewer Connection Cards Drawn	728	400	250	500
13 . Number of GIS users	†	46	46	46
14 . Business license renewal via Automation	†	109	450	800
15 . Permits issued through Accela Citizen Access	†	243	800	2000
16 . Purchase Orders per year	97	135	211	200



Municipal Court



Program Description

Municipal Court is the Judicial Branch of the City of Missoula. The Court processes all misdemeanor criminal citations, which includes DUIs and Partner Family Member Assaults, traffic violations, and City Ordinance violations issued by the City of Missoula, University of Montana Police and the Health Department. The Court also handles the issuance of Temporary Restraining Orders and Protective Orders in domestic violence and stalking situations, and processes search warrant requests and returns.

Municipal Court is a Limited Jurisdiction Court of Record and has the same powers and duties as a District Judge in matters within its jurisdiction. The Court makes and alters rules for the conduct of its business and prescribes form of process. The Court establishes rules for appeal to District Court, which are subject to the Montana Supreme Courts rulemaking and supervisory authority.

The purpose of the Municipal Court is to impartially interpret the law. The Court enforces private rights and attempts to prevent conduct that unjustifiably inflicts or threatens harm to individuals or public interests.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will work with public and private partners in greater numbers to find new ways to enhance and diversify Missoula's economy.
 - Increase accuracy in data collection and reporting through secondary data entry and additional tracking for comparative uses with other Municipal Court statistics.
 - Use of court management and staff researching applicable options for compliance with sentencing requirements of our Judges.

Goal #2: Fiscal Sustainability

- Strategy: Work toward sustaining and diversifying fiscal resources.
 - Increase fine payments credited to defendant accounts through increased opportunity for the use of alternative sentencing options when defendants do not have financial means to pay fines.
 - Use of elected Judge time to serve on committees established for Jail Diversion, Missoula Downtown Association, and entities working toward an overcrowded jail situation.

Goal #3: Quality of Life for All People in All Places

- Strategy: We will work together to meet the needs with dignity for all.
 - Utilize statutory authority over defendants to ensure accountability for all sentencing orders.
 - Utilize area resources that support safe and healthy alternatives for defendants to meet the sentencing orders put in place for all defendants, regardless of ability to pay.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 959,067	\$ 1,099,286	976,463	1,197,201	\$ 97,915	9%
Supplies	29,244	13,269	21,556	17,649	4,380	33%
Purchased Services	256,310	334,756	323,471	306,474	(28,282)	-8%
Miscellaneous	-	-	-	2,500	2,500	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,244,621	\$ 1,447,311	\$ 1,321,490	\$ 1,523,824	\$ 76,513	5%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
MUNICIPAL JUDGE	1.00	1.00	1.00	1.00
JUDGE	0.85	0.85	0.85	0.85
MUNICIPAL COURT ADMINISTRATOR	1.00	1.00	1.00	1.00
JUDGES CLERK	3.00	4.00	4.00	4.00
COURT CLERK	8.00	8.00	8.00	7.00
FILE CLERK	1.00	1.00	1.00	1.00
LEGAL SECRETARY	1.00	1.00	1.00	1.00
LEAD FINANCIAL CLERK	1.00	1.00	1.00	1.00
MUNI COURT IT SPECIALIST			1.00	1.00
SETTLEMENT MASTER				1.00
Total	16.85	17.85	18.85	18.85

2016 Budget Highlights

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Monies collected that stay w ith the City w hich include fines, city surcharge, atty fees, NSF fees, crime victim surcharges, and time payment fees.	\$ 1,636,564	\$ 1,253,903	1,964,314	1,350,000
2 . Monies collected that go to other agencies w hich include state tech surcharges and police academy surcharges.	\$ 170,941	\$ 172,145	145,724	150,000
3 . Monies collected as restitution for victims.	\$ 111,037	\$ 93,521	140,126	70,000

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Citations processed	19,350	14,042	20,810	18,000
2 . Judge Trials Set	703	315	686	500
3 . Jury Trials Set	1016	1351	1345	1200
3 . Warrants issued	3118	2218	3526	2880
4 . Programs monitored	2239	2293	2713	2880
5 . Bonds entered	2857	2233	1232~	1800
6 . Jail time served in days ‡	^	^	^	^
7 . Orders of Protection filed	380	267	351	400
8 . Accounts turned to collecitions ?	330	0	0	300
9 . Alcohol Monitoring *	182	374	155	540
10 . GPS Tracking	2	15	19	10
11 . Work Release ***	^	^	348	150
12 . Misdemeanor Probation	136	194	209	165
13 . Pre-Trial Supervision Program #, #1		-		

* Alcohol Monitoring started February 1, 2010

*** Work Release used in lieu of jail due to jail space constraints

? Court did not turn accounts to collections in FY13.

^ No longer Tracking

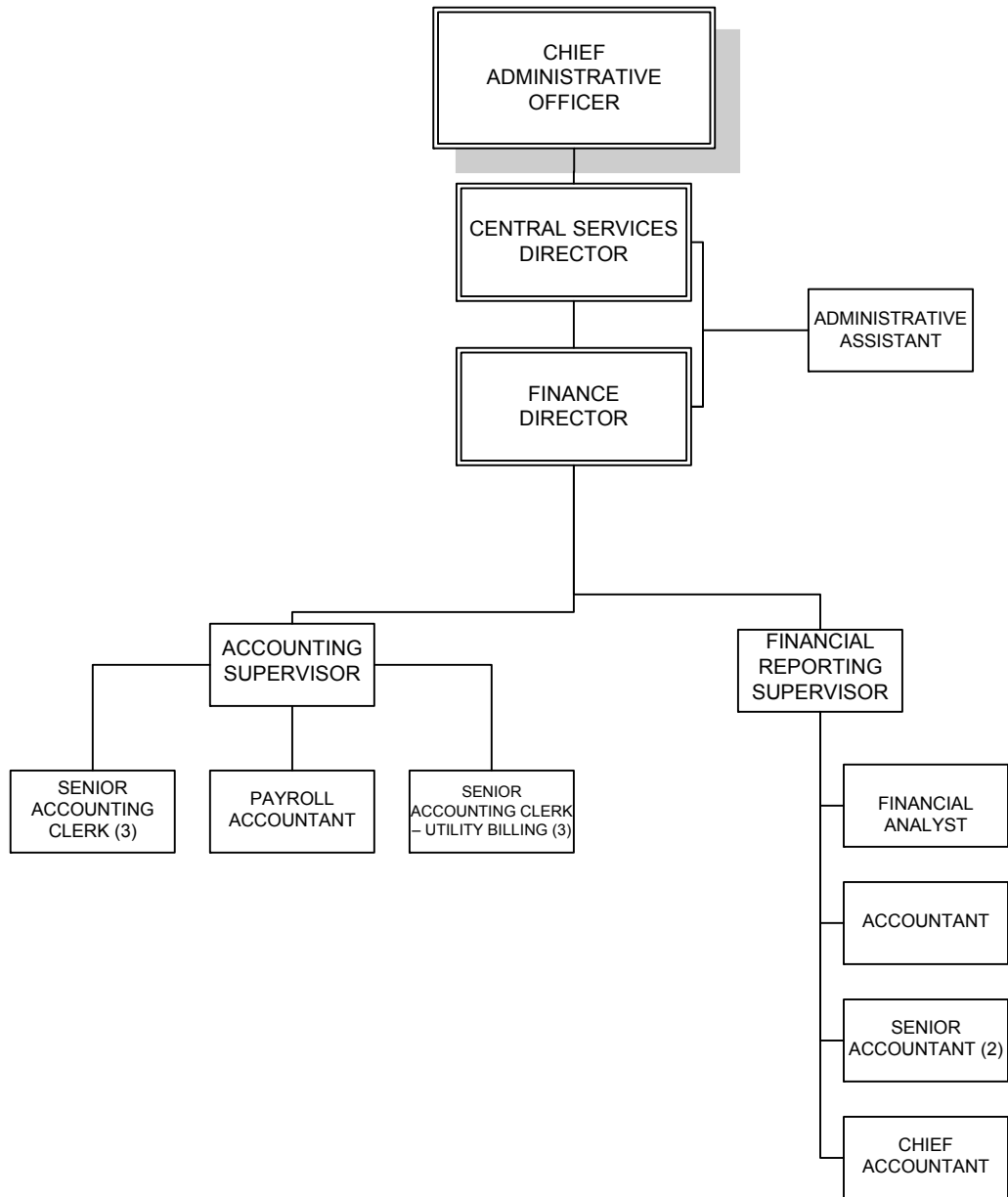
Proposed new program, FY15

#1 Program not approved at budget process

~ Data converted to new tracking format



Finance



Program Description

The mission of the Finance/Budget division is to ensure that City's financial resources are protected through sound financial management, including allocation of resources consistent with community goals and providing timely, accurate, and reliable information that will assist in making informed decisions.

The Finance Division provides a variety of financial services to the Council and City staff. Services include accounting and financial reporting, budgeting, payroll, accounts payable, special improvement district file maintenance and billing, project accounting, fixed asset management, grant management, utility billing and debt service record keeping and payments.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - Completion of summarization of revenues, expenses, assets and liabilities in monthly, quarterly and annual reports – this is then reported to Mayor's office, departments, council, citizens and creditors.
 - Completion and implementation of metered, flow based sewer rates for current and future sewer utility customers by the end of FY2017. This will be accomplished by using the results of the flow based utility study.
 - Strategy: We will work toward sustaining and diversifying fiscal resources.
 - Balance budget within state law with minimal employee cuts while maintaining current services during time of economic stress.
-

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 833,298	\$ 913,868	\$ 852,393	\$ 1,022,991	\$ 109,123	12%
Supplies	5,744	6,760	7,472	7,998	1,238	18%
Purchased Services	210,219	226,353	223,966	383,894	157,541	70%
Miscellaneous	-	500	-	500	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,049,261	\$ 1,147,481	\$ 1,083,832	\$ 1,415,383	\$ 267,902	23%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
FINANCE DIRECTOR	1.00	1.00	1.00	1.00
CHIEF ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
ACCOUNTING SUPERVISOR	2.00	1.00	-	-
FINANCIAL REPORTING SUPERVISOR	-	-	1.00	1.00
FINANCIAL SERVICES SUPERVISOR	-	-	1.00	1.00
PROJECT ACCOUNTANT	1.00	1.00	1.00	1.00
ACCOUNTING COORDINATOR	2.00	2.00	2.00	2.00
ACCOUNTANT	-	-	1.00	1.00
FISCAL ANALYST	1.00	1.00	-	-
PAYROLL ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR ACCOUNTING CLERK	3.00	4.00	4.00	5.00
ADMINISTRATIVE SECRETARY	0.50	1.00	1.00	1.00
BUSINESS LICENSE SPECIALIST	2.00	1.00	-	-
Total	15.50	15.00	15.00	16.00

2016 Budget Highlights

The City received its seventh Distinguished Budget Award from the Government Finance Office Association (GFOA) for its FY2016 published budget document. The City also received its sixteenth Certificate of Achievement from the GFOA for its FY2015 Comprehensive Annual Financial Report (CAFR).

Performance Measures & Workload Indicators

Performance Measures

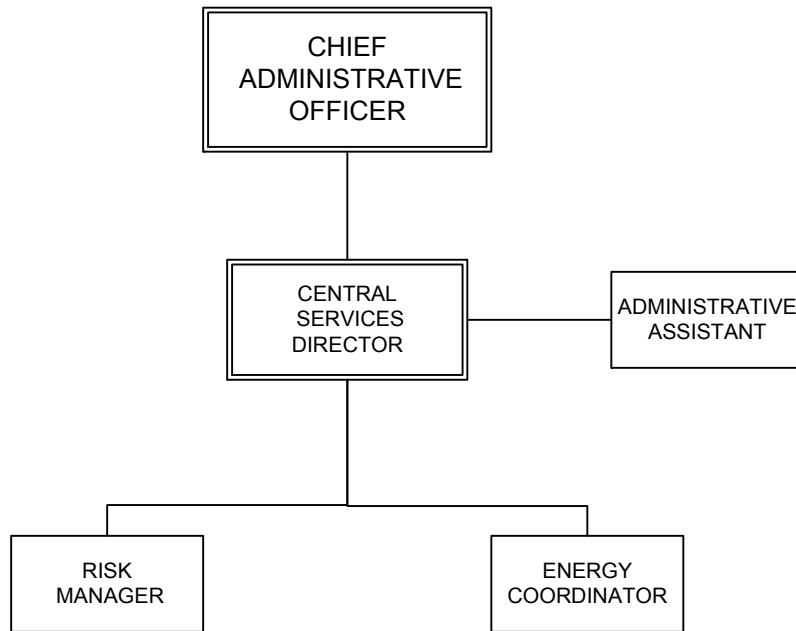
Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . The Finance Department will produce a clean "unqualified" audit opinion.	100%	100%	100%	100%
2 . The Finance Department will produce client prepared work papers which are delivered to the auditors by the agreed delivery date.	100%	100%	100%	100%
3 . The Finance Department will receive the Government Finance Officer's Association's Certificate of Excellence in Financial Reporting award for the Comprehensive Annual Financial Report.	100%	100%	100%	100%
4 . The Finance Department will deliver the preliminary and final budget to the council by agreed delivery dates.	100%	100%	100%	100%

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Accounts Payable (Total claims paid)	\$ 39,542,010	\$ 41,639,953	\$ 41,345,102	\$ 69,469,326
2 . Sew er/Utility Billing (Total billed)	\$ 7,186,235	\$ 7,247,814	\$ 7,718,508	\$ 7,950,064
3 . Special Improvement District (Total billed)	\$ 2,468,350	\$ 2,221,813	\$ 2,221,810	\$ 2,288,464
4 . Payroll (Total salary w ages paid)	\$ 42,179,269	\$ 44,352,974	\$ 45,951,641	\$ 48,935,279



Central Services



Program Description

The Central Services Administration manages the divisions of Finance, Human Resources, Information Technology, City Clerk, Geographic Information Services, and Vehicle and Facility Maintenance.

City Strategic Plan & Division's Implementation Strategy

Goal #1: Funding and Service

- Strategy: We will maintain and improve the level of service to citizens
 - Develop the new team of Central Service Division Heads and provide improved services to the Departments of the City.

Goal #2: Harmonious Natural and Built Environment

- Strategy: Integrate energy conservation, climate action and sustainability in the City's natural and built environment to reflect Missoula's values of clear air, clean water and resiliency.
 - Implement City energy efficiency, conservation and renewable energy projects
 - Install Screw Press at the Waste Water Treatment Plant
 - Initiate Biogas Use Pilot Project at the Waste Water Treatment Plant
 - Assist Parks and Recreation in HVAC and building envelope project
 - Plan for future City energy efficiency, conservation and renewable energy deployment
 - Solar Potential for Municipal Operations Study
 - City Hall and Fire Station Four HVAC energy conservation Study
 - Understand, track and analyze City's energy consumption, cost and emissions
 - Manage Utility TracPlus Energy Consumption and Cost tool
 - Complete Emissions Inventory Update

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 325,236	\$ 336,151	\$ 340,780	\$ 320,940	\$ (15,211)	-5%
Supplies	2,134	2,722	1,375	2,722	-	0%
Purchased Services	9,089	18,845	14,493	58,845	40,000	212%
Miscellaneous	50	5,000	-	5,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 336,510	\$ 362,718	\$ 356,649	\$ 387,507	\$ 24,789	7%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
CENTRAL SERVICES DIRECTOR	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	0.50	-	-	-
RISK MANAGER	-	1.00	1.00	1.00
ENERGY COORDINATOR	-	1.00	1.00	1.00
Total	1.50	3.00	3.00	3.00

FY 2016 Budget Highlights

In FY2014 a new Central Services Director was hired, along with moving the Risk Manager from the Human Resources Department and the Energy Coordinator from the Facility Maintenance Department.

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Increase safety awareness and practices reduce number of medical claims filed through MMIA	62	48	37	45
2 . Through safety awareness reduce number of days lost due to work related injuries.	342	472	182	400
3 . Work with department personnel to lower Worker's Compensation mod factor to 1	1.10	1.12	1.10	1.07
4 . Develop and consult on Energy Conservation and Greenhouse Gas Reduction Activities with department heads (number of projects & policies).	†	24	19	10
5 . Comprehensively track energy consumption, costs and operational emissions (number of tracking systems)	†	1	2	2

† Energy conservation position was created in FY2014

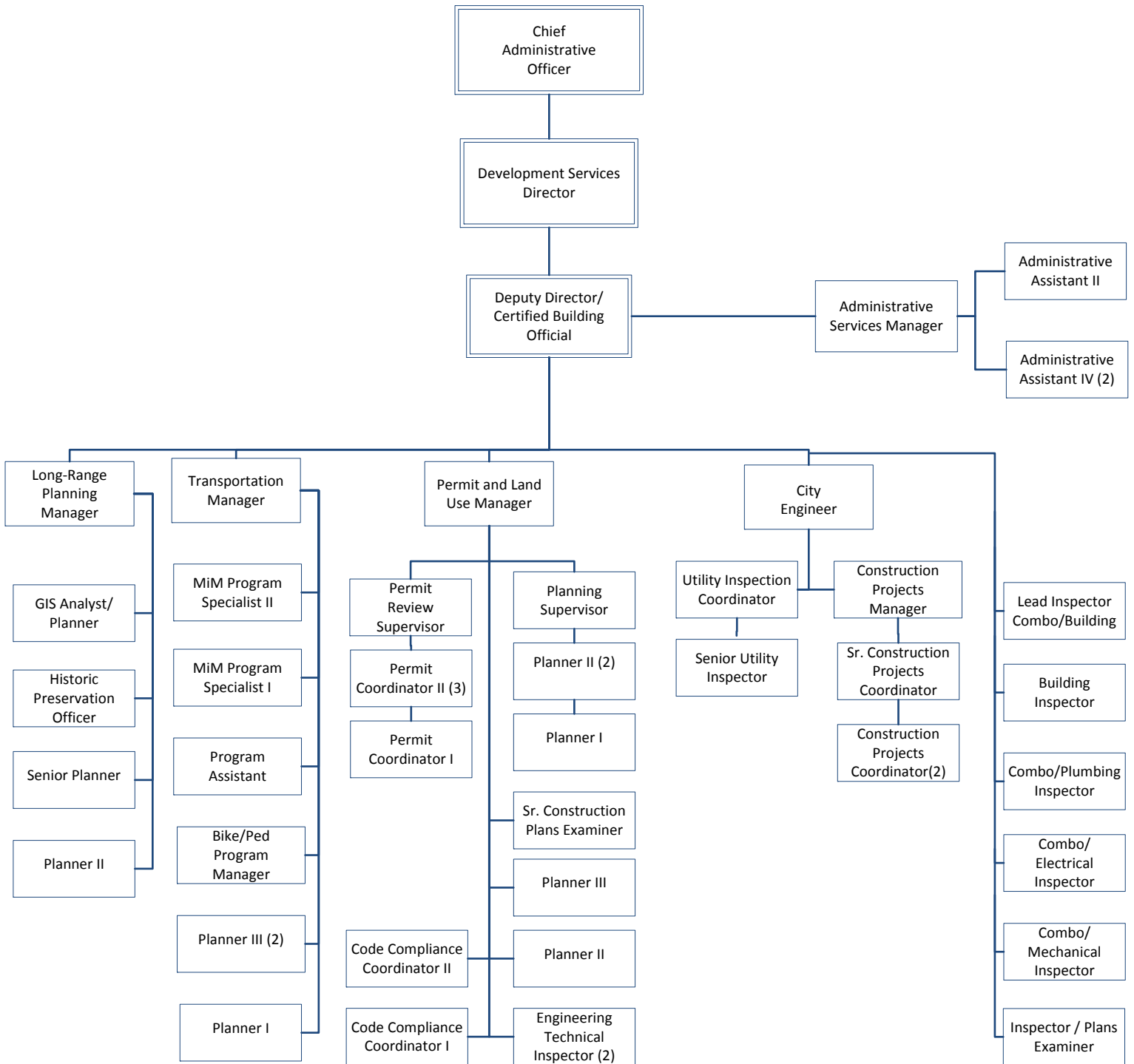
Workload Indicators

Indicator	Actual FY2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Workers' compensation claims	57	69	47	60
2 . Number of energy conservation projects initiated	†	14	19	5
3 . Reduce operational greenhouse gas emissions by 5% below 2008 baseline.	†	100%	100%	100%

† Energy conservation position was created in FY2014



Development Services



Program Description

Development Services combines land use planning, transportation planning, building and engineering services to create a “one-stop shopping” environment for the development community and the citizens of Missoula.

The Permits and Land Use Division is responsible for planning and zoning including taking planning applications to the City-County Planning Board, Design Review Board & Board of Adjustment. Division staff conduct plans review, issue permits, conduct site inspections and issue final approvals or Certificates of Occupancy for completed projects. Over 7,000 permits are issued and over 5,000 business licenses issued or renewed annually. The division is also responsible for floodplain administration and compliance with city codes and business license regulations. Building related permit revenues and expenses go to the Building Fund (Fund 2394). All other revenues and expenses go to the General Fund.

The Building Division is responsible for building plan review and inspecting and approving all new buildings, building additions and interior improvements as well as providing supplemental plans review assistance for major projects. It is funded entirely through the Building Fund (Fund 2394).

The City Engineering Division manages infrastructure capital projects including roads, sidewalks, trails and sewer projects as well as conducting utility locates and inspections. City Engineering Division staff also review and approve engineering plans for private development and review, approve and inspect infrastructure that will become publicly owned. Revenues and expenses for locates and inspections go to the General Fund. Administration fees charged to projects cover project management expenses.

The Planning Division is primarily funded by the Planning Mil through inter-local agreement with Missoula County (Fund 2250). The Division engages in long-range planning initiatives, data and information gathering, GIS mapping, maintenance of the city’s Zoning Code and neighborhood outreach. The Historic Preservation Office is in the Planning Division. Historic Preservation is funded through the Planning Fund and a State Historic Preservation Office (SHPO) grant.

The Transportation Division is divided into staff working for the Missoula Metropolitan Planning Organization (MPO) and staff working in the City Bike/Ped and Missoula in Motion programs. The MPO is federally funded (Fund 2955) and Transportation Division staff work in support of regional transportation efforts (through inter-local agreement) with partners including Missoula County, Montana Department of Transportation and Mountain Line. The Bike/Ped and Missoula in Motion programs are supported by the Transportation Fund, CMAQ grants and private donations.

City Strategic Goals &

Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
 - Continue to refine the ACCELA Automation permitting system and continue to expand online services, mapping tools and easy access to helpful information
 - Streamline plan review, reduce costs and increase convenience to customers through implementation of Electronic Plan Review
 - Continue to expand resources on the website

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
 - Implement the strategies of the recently approved 2035 *Our Missoula* Growth Policy and updated Future Land Use Map
 - Complete the *Activate Missoula* Long-Range Transportation Plan, ensuring consistency with the Growth Policy
 - Continue to streamline and implement Transportation Demand Management (TDM) programs that support sustainable transportation options and improve air quality through internal coordination between planning, engineering and transportation functions and leadership of the TDM Consortium with our outside TDM partners

- Expand upon the recently adopted commercial design standards to improve the visual appearance of the built-environment

Goal #3: Quality of Life for all Citizens

- Strategy: We will encourage sustainable development and redevelopment.
 - Continue to implement the “focus inwards” policy that was a cornerstone of the Growth Policy and continue to direct development toward areas that have the infrastructure and services to support it
- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula’s citizens
 - Focus on land use/transportation links that promote healthy lifestyles and continue to participate in active living and healthy communities initiatives
- Strategy: We will work to provide affordable housing for the workforce of Missoula
 - Investigate housing needs and work proactively to support and encourage the provision of affordable housing opportunities for the citizens of Missoula

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 1,653,196	\$ 1,681,419	\$ 1,673,260	\$ 1,706,740	\$ 25,321	2%
Supplies	29,615	30,182	38,837	33,508	3,326	11%
Purchased Services	115,547	321,823	398,998	443,469	121,646	38%
Miscellaneous	11,875	186,500	191,732	286,500	100,000	54%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,810,233	\$ 2,219,924	\$ 2,302,827	\$ 2,470,217	\$ 250,293	11%

* Un-audited numbers

2017 Budget Highlights

No significant changes are proposed in the FY17 budget. In Q4 of FY16 the former Compliance Division Manager left the city. This allowed for a minor reorganization of the Department to improve efficiency and effectiveness. Of the four staff members in the former Compliance Division, the two utility inspectors were reassigned to City Engineering and the two compliance staff were reassigned to the Permits and Land Use Division. This allowed for a Planner II to be hired in the Permits and Land Use Division to meet the growing demands on land use planning staff, zoning plans review and on the zoning desk.

New Requests

- Development Services has no new funding requests.

STAFFING SUMMARY

Title	Actual	Actual	Actual	Adopted
	FY 2014	FY 2015	FY2016	FY2017
DEVELOPMENT SERVICES DIRECTOR*	0.82	0.80	0.80	0.80
A SST. DIRECTOR DEV. SVCS./BUILDING OFFICIAL*	0.09	0.10	0.10	0.10
PERMIT COORDINATOR SUPERVISOR*	0.29	0.30	0.30	0.30
PERMIT COORDINATOR I*	0.34	0.30	0.30	-
PERMIT COORDINATOR II*	0.68	0.60	0.60	0.90
ADMIN. SVCS MANAGER/PROJECTS COOR.*	0.78	0.80	0.80	0.80
SECRETARY*	1.70	-	-	-
PERMIT/LICENSE COORDINATOR	0.50	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY*	1.61	2.10	2.10	2.10
BICYCLE/PEDESTRIAN PROGRAM MANAGER***	1.00	-	-	-
CITY ENGINEER	1.00	1.00	1.00	1.00
CONSTRUCTION PROJECT MANAGER	1.00	1.00	1.00	1.00
ENGINEERING TECHNICIAN/INSPECTOR	2.00	1.00	1.00	2.00
SENIOR ENGINEERING TECHNICIAN/INSPECTOR	1.00	1.00	1.00	-
CONSTRUCTION PROJECT COORDINATOR	1.00	2.00	2.00	2.00
SENIOR CONSTRUCTION PROJECT COORDINATOR	1.00	1.00	1.00	1.00
CONSTRUCTION PLANS EXAMINER	0.50	-	-	-
CODE COMPLIANCE MANAGER	1.00	1.00	1.00	-
UTILITY INSPECTOR	2.00	1.00	1.00	1.00
SENIOR UTILITY INSPECTOR	-	1.00	1.00	1.00
COMPLIANCE OFFICER	-	0.50	1.00	1.00
CODE COMPLIANCE/FLOODPLAIN ADMIN	-	1.00	1.00	1.00
PLANNING MANAGER**	1.00	-	-	-
PERMIT & LAND USE MANAGER	1.00	1.00	1.00	1.00
PLANNER I	1.00	2.00	2.00	-
PLANNER II**	4.50	1.00	0.75	3.75
PLANNER III	2.00	1.00	1.00	1.00
GIS/PLANNER II**	1.00	-	-	-
SENIOR PLANNER	2.00	1.00	1.00	1.00
PROGRAM SUPERVISOR***	1.00	-	-	-
PROGRAM ASSISTANT***	1.00	-	-	-
TRANSPORTATION MANAGER***	1.00	-	-	-
PROGRAM SPECIALIST***	1.00	-	-	-
BIKE AMBASSADOR***	0.40	-	-	-
Total	35.21	23.50	23.75	23.75

*Some positions are partially funded in 2934, Building Inspection

**Position was moved to new funding code for FY2015 - 2250 Planning

***Position was moved to new funding code for FY2015 - 2295 Transportation

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY2014	Actual FY2015	Actual FY2016	Adopted FY2017
1 . Development Services' multi-dw elling and commercial building permit review should be completed in three weeks or less.	99%	99%	99%	99%
2 . Development Services' residential building permit review should be completed in tw o weeks or less.	99%	99%	99%	99%
3 . Fulfilled the programmatic requirements of the Unified Planning and Work Program (UPWP) and completed specific planning projects and processes on time.	100%	100%	100%	100%
4 . City Planning Division maintenance of Zoning code and Subdivision regulations	100%	100%	100%	100%
5 . City Planning Division annual Urban Fringe Development Area Yearbook provides comprehensive tracking of community services and natural resource impacts along w ith new development patterns.	100%	100%	100%	100%

Workload Indicators

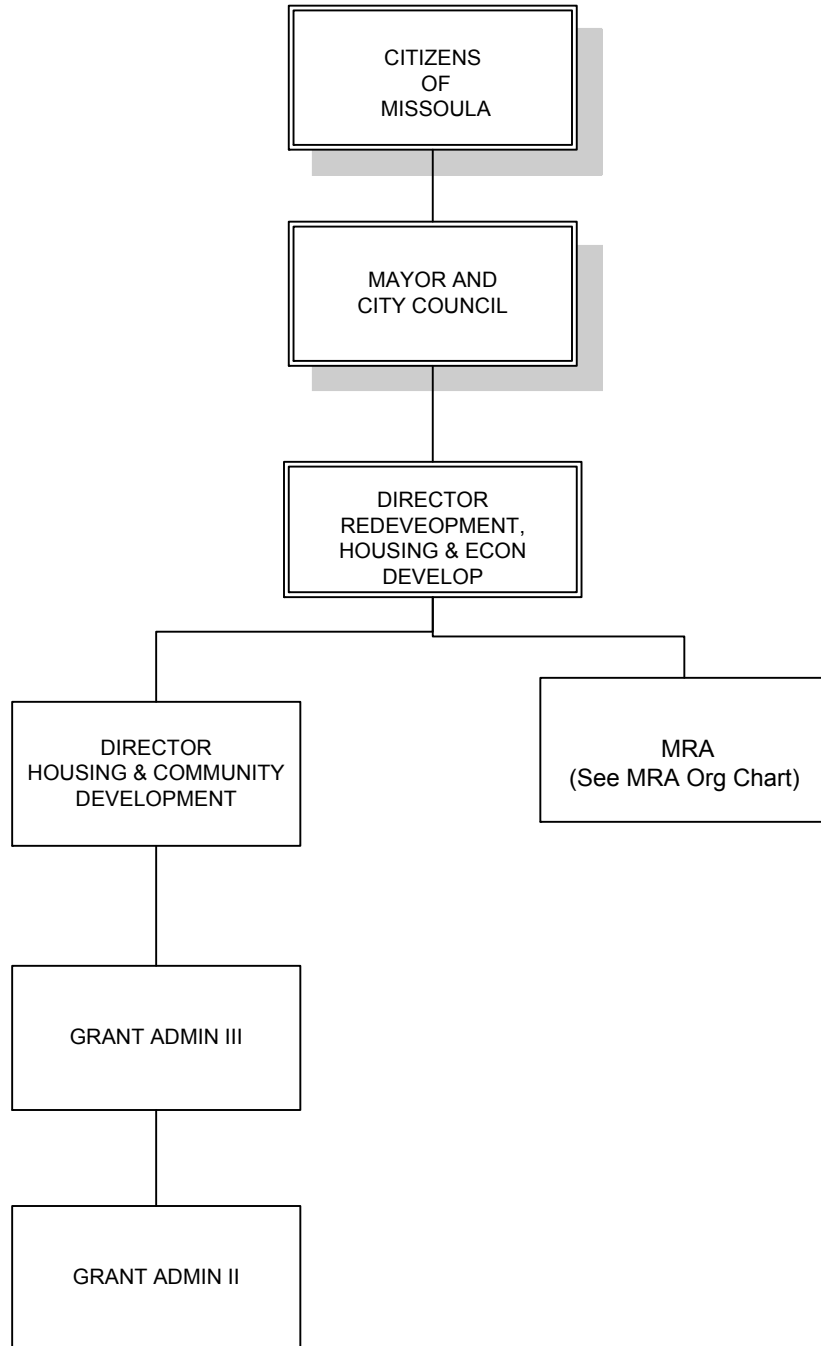
Indicator	Actual FY2014	Actual FY2015	Actual FY2016	Adopted FY2017
1 . Miles of sidewalk installed annually	10	2.84	3	6
**Miles of curb			3	
2 . Pedestrian snow violations mitigated	428	202	274	200
3 . Board of Adjustment Applications*	2	5	14	5
5 . Design Review Board*	10	15	11	9
6 . Conditional Use Applications*	8	12	8	15
7 . Sign Permits*	128	141	157	120
8 . Acres of newly annexed property	19	156	181	5
9 . Building permits reviewed	1,290	1,427	1,515	1,100
10* . Subdivision Phasing Plan Amendments	-	-	3	1
Subdivision Final Plats			5	
Subdivision Minor Adjustments			1	
** Rezones			3	
11 . Right-of-way permits issued	309	299	327	300
12 . Excavation permits issued	878	716	742	100
13 . Lineal feet of sanitary sewer main installed	4,114	7,263	16,610	4,047
14 . New /Repairs of Sewer Services	620	556	712	600
15 . Community Presentations Given*	10	10	5	10
16 . Hazardous vegetation/visibility obstruction sites investigated	72	45	205	75
17 . Sewer utility locates completed	746	1,216	664	700
18 . Historic Preservation permits reviewed* DUP	5	3	5	4
19 . Subdivision exemption reviews	41	22	38	15

*Subdivision was edited to include 3 indicators.

**Rezone and Mile sof curb was added



Redevelopment, Housing & Economic Development



Program Description

City Strategic Plan & Division's Implementation Strategy

Goal #1: Funding and Service

- Strategy: We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.
 - The Office of Housing and Community Development will employ the use of Brownfields Assessment and Cleanup funds to support redevelopment and economic development initiatives within the city of Missoula.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will work to provide citizens access to parks, open spaces and the natural environment.
 - The Office of Housing and Community Development will identify and strategize an approach to meet basic needs in our community through the annual action plan process, a series of public meetings held each Spring.

Goal #3: Quality of Life for all Citizens

- Strategy: We will work to provide affordable housing for the work force of Missoula.
 - The Office of Housing and Community Development will continue to support new construction, rehabilitation, and acquisition of low to moderate income housing in Missoula through the strategic use of Community Development Block Grant and Home Investment Partnership entitlement funds. Additionally, the office will work with public and private partners to create and implement a comprehensive city wide housing policy to provide housing that is affordable for all levels of our community.

FINANCIAL SUMMARY[^]

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ 208,055	\$ 208,055	
Supplies	-	-	-	3,666	3,666	
Purchased Services	-	-	-	133,856	133,856	
Miscellaneous	-	-	-	319,032	319,032	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	8,500	8,500	
Total	\$ -	\$ -	\$ -	\$ 673,109	\$ 673,109	

* Un-audited numbers

[^]New Department for FY17

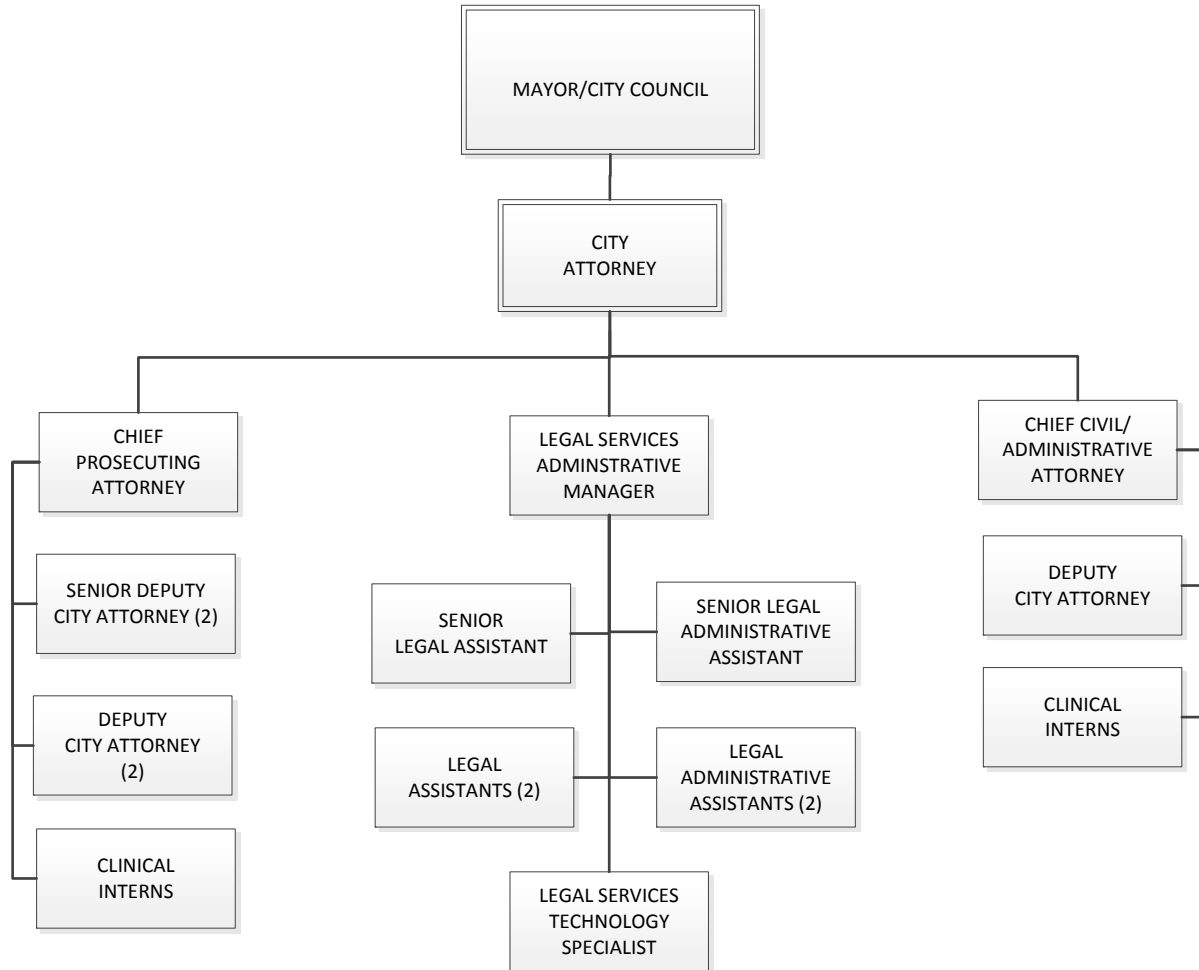
STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
HOUSING DIRECTOR	-	-	-	1.00
GRANTS ADMINISTRATOR IV	-	-	-	1.00
GRANTS ADMINISTRATOR II	-	-	-	1.00
ADMINISTRATIVE ASSISTANT IV	-	-	-	-
Total	-	-	-	3.00

* Dept created in FY17



City Attorney's Office



Program Description

The City Attorney is the chief legal advisor for the Mayor, City Council, and all City departments. The City Attorney's Office prosecutes misdemeanor violations of state and local law that are filed in Missoula Municipal Court.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Funding and Service

- Deliver high quality, cost effective legal services to the City Administration and City officials that are responsive to the City's adopted policies, goals and objectives to position the City to deliver services and improve the community in a changing economy.
 - Strive to timely keep abreast of legislative and judicial changes in the law as well as to effectively and competently represent the City in all legal proceedings and forums involving the City.
- Provide risk management guidance to assist the City in minimizing its financial exposure to claims and lawsuits.
 - Assist the City Administration in attempting to attain liability and workers' compensation reduced experience modification factors from the preceding year and most importantly strives to attain experience modification factors significantly less than 1.0.

Goal #2: Quality of Life for All Citizens

- Increase the safety of victims of domestic violence and the community by working to increase compliance with sentencing mandates including anger management counseling by offenders.
- Enhance the public's sense of safety in their communities.
 - Aggressively prosecute high misdemeanor crimes that occur in the City of Missoula.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 1,204,512	\$ 1,272,599	\$ 1,220,754	\$ 1,290,548	\$ 17,949	1%
Supplies	4,685	7,131	7,187	7,631	500	7%
Purchased Services	52,368	63,026	47,570	52,861	(10,165)	-16%
Miscellaneous	-	63,875	155,535	167,818	103,943	163%
Debt Service	-	-	-	-	-	
Capital Outlay	616	-	-	-	-	
Total	\$ 1,262,181	\$ 1,406,631	\$ 1,431,047	\$ 1,518,858	\$ 112,227	8%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
City Attorney	1.00	1.00	1.00	1.00
Chief Civil/Admin Attorney	1.00	1.00	1.00	1.00
Chief Prosecuting Attorney	1.00	1.00	1.00	1.00
Senior Deputy City Attorney	3.00	3.00	3.00	2.00
Deputy City Attorney	1.52	1.70	2.00	3.00
Deputy City Attorney (Grant)	0.48	0.30	-	-
Legal Services Administrative Manager	1.00	1.00	1.00	1.00
Legal Services Technology Specialist	-	-	1.00	1.00
Senior Legal Assistant	1.00	1.00	1.00	1.00
Legal Assistant	3.00	3.00	2.00	2.00
Senior Legal Administrative Assistant	1.00	1.00	1.00	1.00
Legal Administrative Assistant	2.00	2.00	2.00	2.00
Total	16.00	16.00	16.00	16.00

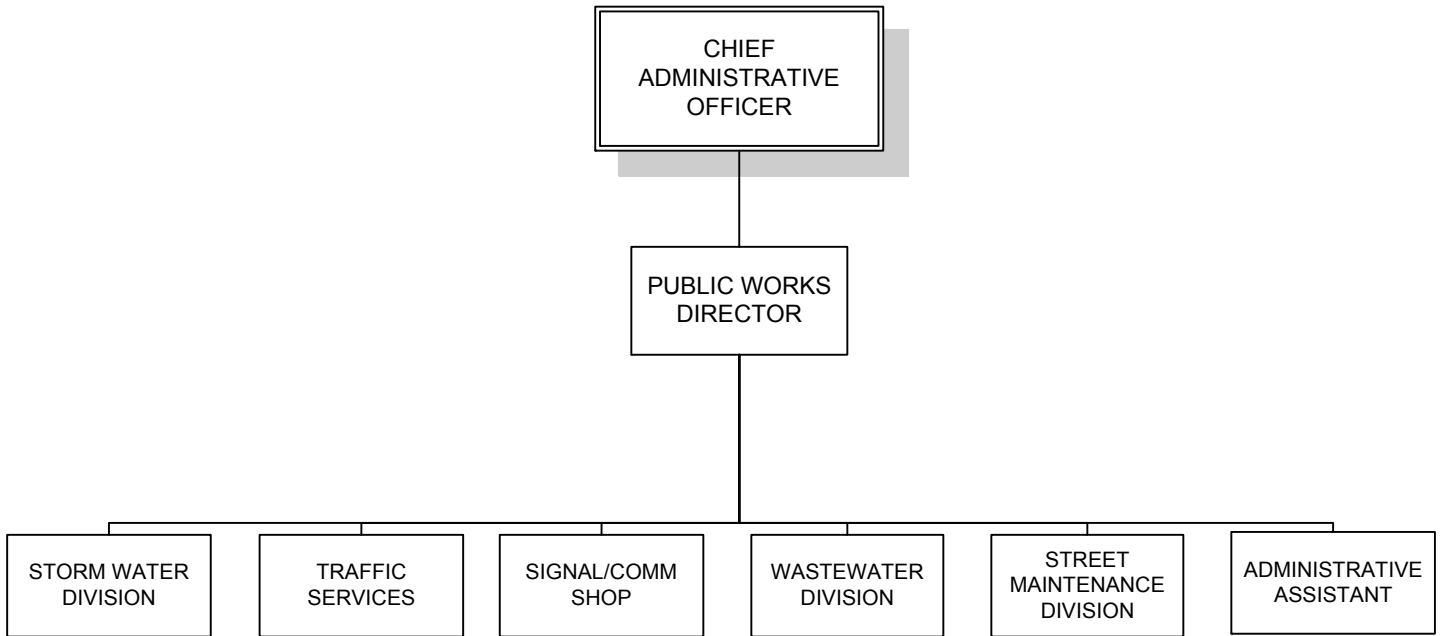
2016 Budget Highlights

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
CIVIL DIVISION				
1 . Contracts/agreements review ed	358	121	374	374
2 . Subdivisions/amended plats/certificates of survey review ed	34	35	35	35
3 . Confidential Criminal Justice Information requests review ed	31	32	13	13
3 . Legal opinions issued	29	35	35	35
CRIMINAL DIVISION				
1 . New Cases	3,945	3,018	3,777	3,777
1a . Misdemeanor	3,496	2,712	3,610	3,610
1b . PTR*	322	200	17	-
1c . Charging Review s	27	46	50	50
1d . Driver's License Reinstatement District Court	71	45	50	50
1e . Investigative Subpoena	26	12	8	8
1f . Code Violation	3	3	12	12
2 . Partner Family Member Assault new cases	152	175	168	168
3 . Order of Protection and No Contact Violation new cases	67	66	66	66
4 . Sexual Assault new cases	12	14	17	17
5 . DUI (§ 61-8-401 / § 61-8-411 / § 61-8-465 MCA) new cases	412	335	282	282
6 . Unlawful Refusal of Breath or Blood Alcohol/Drug Test new cases	233	203	157	157
7 . Charges added (may have multiple charges in one case)	7,996	7,735	7,598	7,598
8 . PTRs prepared (multiple petitions often needed for compliance)	489	452	318	318
*PTRs are no longer a separate case				



Public Works Operations



Program Description

The Public Works–Operations Department oversees the divisions that promote, manage, and maintain the City's public infrastructure, including the street system, street signs and lights, traffic signals, wastewater treatment plant and sewer system, and storm water system—all of which are essential for a thriving local economy and a high quality of life for Missoula's citizens.

The Department's Traffic Services Division installs and maintains street signs, lane striping, and curb painting. The Communications/Signals Division installs and repairs traffic signals and City-owned street lights. Communications staff also install and maintain communications equipment in all City-owned vehicles, from snow plows to police cruisers.

The newly created Storm Water Division manages and monitors storm water system infrastructure, monitors discharge of rain and snow runoff into local waterways, monitors and maintains storm drains and outfalls, provides education in an effort to prevent pollutant discharge into the storm water system, monitors and maintains the levees, and ensures the City's storm water system complies with state and federal water quality standards.

For a detailed description of the Street Maintenance Division, see the General Fund—Street Maintenance Division section and for the Wastewater Division, see the Wastewater Fund—Wastewater Division portion of this document.

City Strategic Goals & Department's Implementation Strategy

Goal 1 – Fiscal sustainability

Strategies:

- ◆ Maintain and improve levels of Public Works service to citizens.
 - Engage and encourage staff to develop creative solutions for delivering services and achieving productivity goals using current funding levels. Implement selected solutions.
 - Establish alternative funding sources for essential Public Works services, and research potential new sources annually.
- ◆ Effectively communicate with the City Council and other citizens to improve their understanding of public works programs and services.
- ◆ Continue to address citizen-reported traffic service concerns regarding system maintenance and improvement.

Goal 2 – Harmonious natural and built environment

Strategies:

- ◆ Continue to research and apply for all grant programs supporting clean air and water as well as energy conservation programs supporting the natural environment.
 - ◆ Continue to provide high-quality street and traffic services and maintenance so that citizens can safely navigate city streets.
 - ◆ Advance the new storm water management program to better protect the natural environment by further preventing contaminants from entering local waterways.
 - ◆ Continue to work with the Montana Department of Environmental Quality to comply with state and federal regulations for Municipal Separate Storm Sewer Systems.
 - ◆ Proactively protect Missoula's waterways by partnering with Missoula County in the operation of a Household Hazardous Waste collection site that will regularly collect certain household hazardous waste materials to prevent them from ending up in the rivers or storm sewer system.
-

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 626,171	\$ 715,393	\$ 697,200	\$ 759,463	\$ 44,070	6%
Supplies	96,954	103,115	107,239	103,315	200	0%
Purchased Services	153,083	160,359	193,196	165,495	5,136	3%
Miscellaneous	1,989	(5,411)	-	-	5,411	-100%
Debt Service	1,800	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 879,997	\$ 973,456	\$ 997,635	\$ 1,028,273	\$ 54,817	6%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
PUBLIC WORKS DIRECTOR	1.00	1.00	1.00	1.00
TRAFFIC SERVICES COORDINATOR	1.00	1.00	1.00	1.00
TRAFFIC MAINTENANCE WORKER II	2.00	2.00	2.00	2.00
SEASONAL LABOR	1.42	1.42	1.42	1.53
COMMUNICATION SHOP SUPERVISOR	1.00	1.00	1.00	1.00
ELECTRONIC TECHNICIAN	2.00	2.00	2.00	2.00
Total	8.42	8.42	8.42	8.53

Workload Indicators

Workload Indicators

Indicator	Actual FY2014	Actual FY2015	Actual FY2016	Adopted FY2017
1 . Miles of streets/alleys in the City limits	380	380	380	383
2 . Hours of traffic signal maintenance annually	2,440	2,440	2,440	2,440
3 . Hours of street/traffic sign maintenance annually	2,000	2,000	2,000	2,000
4 . Hours of street painting and striping annually	1,500	1,500	2,600	2,600
5 . Hours to install fleet radios/electronics annually	1,020	1,020	1,020	1,020
6 . Hours to repair/maintain fleet radios/electronics annually	1,680	1,680	1,680	1,680

FY14 responsibility for secondary/urban highway Gas Tax mileage was reduced 8.03 miles by MDOT under MAP-21 Ex

2017 Budget Highlights

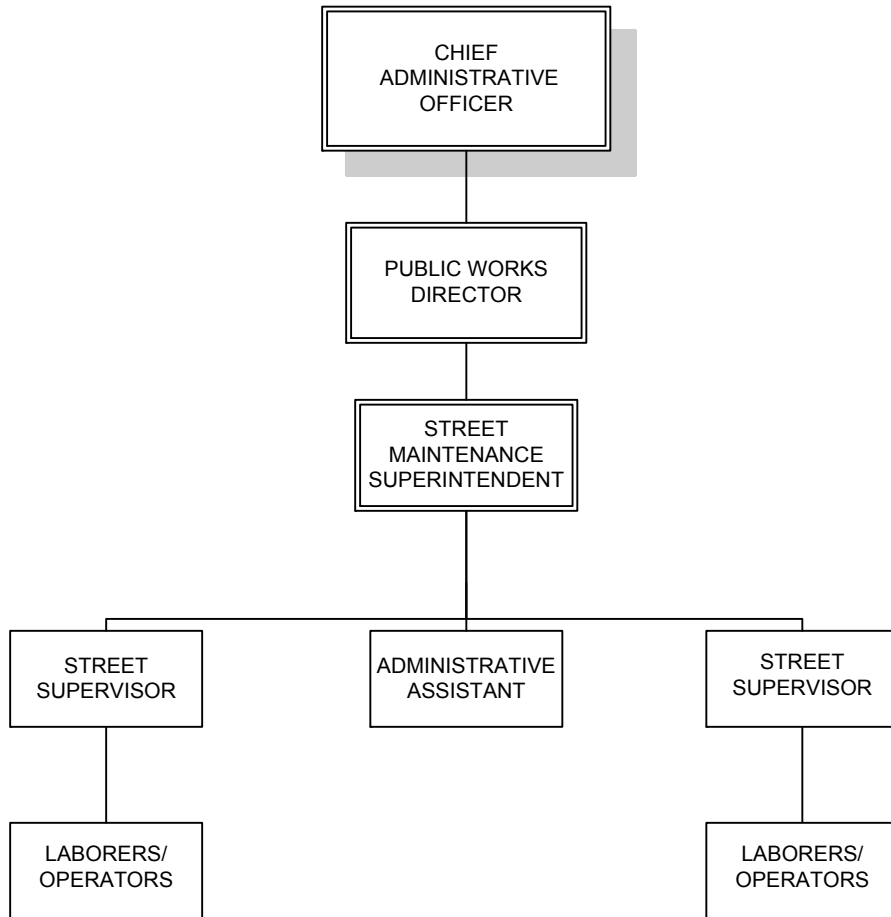
In FY17, the City's new Storm Water Division will first address tasks that need to be completed by January 1, 2017, in order to comply with current Department of Environmental Quality (DEQ) regulations. Then, the division will focus on the many new and more comprehensive requirements outlined in the DEQ's new five-year permit, which outlines the increasingly stringent mandates for preventing pollutants carried in storm water from entering local waterways.

New Requests

- Funding to evaluate street pavement conditions and create a database of these conditions so that a systematic plan for pavement maintenance can be generated. This plan will optimize how street pavement dollars are expended by prioritizing pavement maintenance according to pavement condition, traffic level, and cost.
-



Street Maintenance Division



Program Description

The Street Maintenance Division has the responsibility for maintaining the convenience and insuring the safety of the public streets, alleys, and public rights-of-way for the use by the public. The Division provides for this responsibility by implementing programs for street cleaning; leaf pickup and removal; street patching and major maintenance; snow and ice control; storm water drainage facility maintenance; alley grading; reconstruction of streets; maintenance of state routes within the City; major street construction projects; and other projects for other departments and the community in general.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
 - Upgrade Asset Management System as part of implementation of Accela Automation, resulting in improved mapping functionality for Street Division.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - Negotiate continuance of contract with MDT for providing services on MDT routes.

Goal #2: Harmonious Natural & Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
 - Implement utilization of asphalt recycler to reduce waste in the landfill and improve service to community by having hot asphalt available for patching in winter.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 2,096,840	\$ 2,098,554	\$ 2,168,780	\$ 2,260,576	\$ 162,022	8%
Supplies	489,634	474,737	571,355	474,736	(1)	0%
Purchased Services	39,351	56,052	53,065	56,342	290	1%
Miscellaneous	61,473	76,785	30,086	92,763	15,978	21%
Debt Service	-	-	-	-	-	
Capital Outlay	150,255	197,705	50,835	104,814	(92,891)	-47%
Total	\$ 2,837,552	\$ 2,903,833	\$ 2,874,120	\$ 2,989,232	\$ 85,399	3%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
STREET SUPERINTENDENT	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	1.00	1.00	1.00
STREET SUPERVISOR	1.00	1.00	1.00	1.00
STREET SUPERVISOR	1.00	1.00	1.00	1.00
FINISH BLADE OPERATOR	1.00	1.00	1.00	1.00
SECOND BLADE OPERATOR	1.00	1.00	1.00	1.00
LABORER/OPERATOR	6.00	6.00	6.00	6.00
SEASONAL OPERATOR	0.50	0.50	0.50	0.50
SEASONAL OPERATOR	0.50	0.50	0.50	0.50
SEASONAL OPERATOR	0.50	0.50	0.50	0.50
SEASONAL OPERATOR	0.50	0.50	0.50	0.50
SEASONAL OPERATOR	0.25	0.25	0.25	0.75
SEASONAL OPERATOR	0.25	0.25	0.25	0.75
OPERATOR	9.00	9.00	9.00	9.00
TANDEM TRUCK OPERATOR	1.00	1.00	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	1.00	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	1.00	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	1.00	1.00	1.00
LABORER/OPERATOR	1.00	1.00	1.00	1.00
ANNEXATION REQUEST	0.04	0.04	0.04	-
Total	28.54	28.54	28.54	29.50

2017 Budget Highlights

Special State/MRA Projects

The Street Maintenance Division completes special paving and maintenance projects on State routes pursuant to negotiated additions to the State Maintenance Program. The Division anticipates completing the following projects during FY 17. There are no scheduled MRA projects identified for FY17.

- **MDT, On/Off Ramps Reserve & Broadway: chip seal** \$ 55,833
 - **MDT, Orange Street Underpass: mill/overlay** \$ 48,981
- TOTAL** **\$ 104,814**

Performance Measures & Workload Indicators

Performance Measures

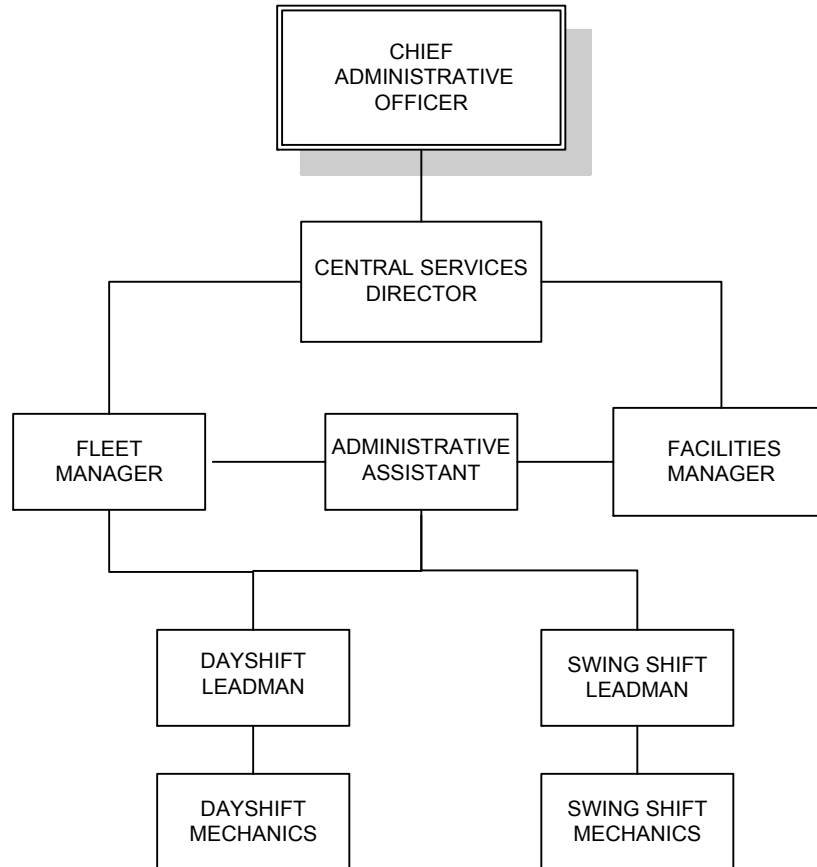
Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Percentage of planned City blocks chip and sealed.	100%	88%	90%	100%
2 . Percentage of planned City blocks reclaimed.	n/a	n/a	n/a	100%
3 . Percentage of City blocks overlayed with asphalt.	100%	100%	90%	100%
4 . Operate Roscoe patch truck 400 hours per year, as applicable	90%	86%	68%	100%
5 . Crack seal pavement of City streets 2000 hours	3%	11%	63%	100%
6 . Clean 500 of drainage sumps.	31%	51%	69%	100%
7 . Install 15 new sumps.	100%	33%	120%	100%
8 . Re-dig 15 existing sumps	100%	86%	140%	100%
9 . Sweep all commercial areas and state routes once per month	100%	100%	100%	100%
10 . Sweep the downtown business district once per week.	100%	100%	100%	100%

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Pothole Patching				
-Hours worked	2,321	2,873	3,590	3,000
-Labor cost	\$ 90,286	\$135,182	\$183,449	\$135,000
-Equivalent leased equipment cost	\$ 96,755	\$70,478	\$133,053	\$105,460
-Total Cost	\$ 187,041	\$205,660	\$316,502	\$340,368
-Cost Per Hour	\$ 80	\$72	\$88	\$113
2 . Alley Maintenance				
-Hours worked	194	466	790	250
-Labor cost	\$ 7,674	\$23,123	\$41,439	\$27,507.00
-Equivalent leased equipment cost	\$ 16,968	\$39,845	\$71,594	\$62,021.00
-Total cost	\$ 24,642	\$62,968	\$113,033	\$89,528.00
-Cost per hour	\$ 127	\$135	\$143	\$90.00
-Loads of asphalt millings laid in alleys	17	25	40	2,300
-Miles of alleys graded	95	137	242	200
-Cost per mile	\$ 259	\$459	\$467	\$448.00
3 . Street Cleaning				
-Hours worked	4,661	5,086	6,055	5,000
-Labor cost	\$ 180,251	\$251,852	\$316,090	\$217,305
- equipment cost	\$ 774,605	\$455,194	\$589,316	\$157,754
-Loads of sweepings hauled to Allied Waste	400	1,571	1,345	800
-Total cost	\$ 786,160	\$707,046	\$905,406	\$893,346.00
-Total cost per hour	\$ 168	\$139	\$149	\$186.11
-Miles Swept Per Day	15	20	15	17
-PM ₁₀ Levels	16	n/a	n/a	n/a
4 . Leaf Removal				
-Hours worked	2,722	2,231	2,715	2,500
-Labor cost	\$ 106,347	\$90,085	\$138,387	\$82,211
-Equivalent leased equipment cost	\$ 216,947	\$163,816	\$190,342	\$202,877
-Material Loads Hauled to EKO Compost	990	839	995	1,200
-Total cost	\$ 323,294	\$253,901	\$328,729	\$285,088.00
-Cost per hour	\$ 118	\$113	\$121	\$95.00
-Cost per load	15	\$302	\$330	\$237.00
5 . Loads of Sand Used	499	389	562	500
6 . Tons of Sand Collected	3,118	2,655	5,468	2,000
7 . Gallons of Deicer Used	325,048	213,580	389,852	170,000



Central Services Facility & Vehicle Maintenance



Program Description

The Facility & Vehicle Maintenance Division of the Central Services Department is responsible for providing fleet and facility management services to vehicles, equipment, and facilities owned by the City of Missoula. The facilities managed by this division include City Hall, the Central Maintenance Facility, the Street Division Building, the Council Chambers Building, and the Missoula Art Museum. The vehicles and equipment managed by this division include all of the City vehicles and equipment with the exception of the emergency Fire Department vehicles. This division of Central Services also provides welding and fabrication services.

**City Strategic Plan &
Department's Implementation Strategy**

Goal #1: Funding and Service

- Strategy: We will maintain the level of service to citizens.
 - Continue to upgrade facilities and equipment to enhance City staffs response and efficiency.
 - Begin the City Hall Restroom Upgrade.
 - Begin the Evidence Building Construction
 - Pending Funding Start the Police Locker Room Building

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation.
 - Continue to search for and apply efficient and sustainable alternatives to traditional energy applications in equipment.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 820,974	\$ 844,039	\$ 846,615	\$ 945,960	\$ 101,921	12%
Supplies	66,652	82,529	70,275	89,503	6,974	8%
Purchased Services	409,261	522,612	428,318	527,055	4,443	1%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	21,560	-	-	-	-	
Total	\$ 1,318,447	\$ 1,449,180	\$ 1,345,208	\$ 1,562,518	\$ 113,338	8%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
VEHICLE MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
FACILITY MAINTENANCE SUPERVISOR	-	-	-	0.55
WELDER/MECHANIC	1.00	1.00	1.00	1.00
LEAD MECHANIC	1.00	1.00	1.00	1.00
LEAD MECHANIC	1.00	1.00	1.00	1.00
SERVICE MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	0.50	0.50	0.50	0.50
FACILITIES MAINTENANCE WORKER	1.00	1.00	1.00	1.00
ENERGY COORDINATOR	1.00	-	-	-
Total	11.50	10.50	10.50	11.05

2016 Budget Highlights

No budget Highlights for 2016

Performance Measures & Workload Indicators

Performance Measures

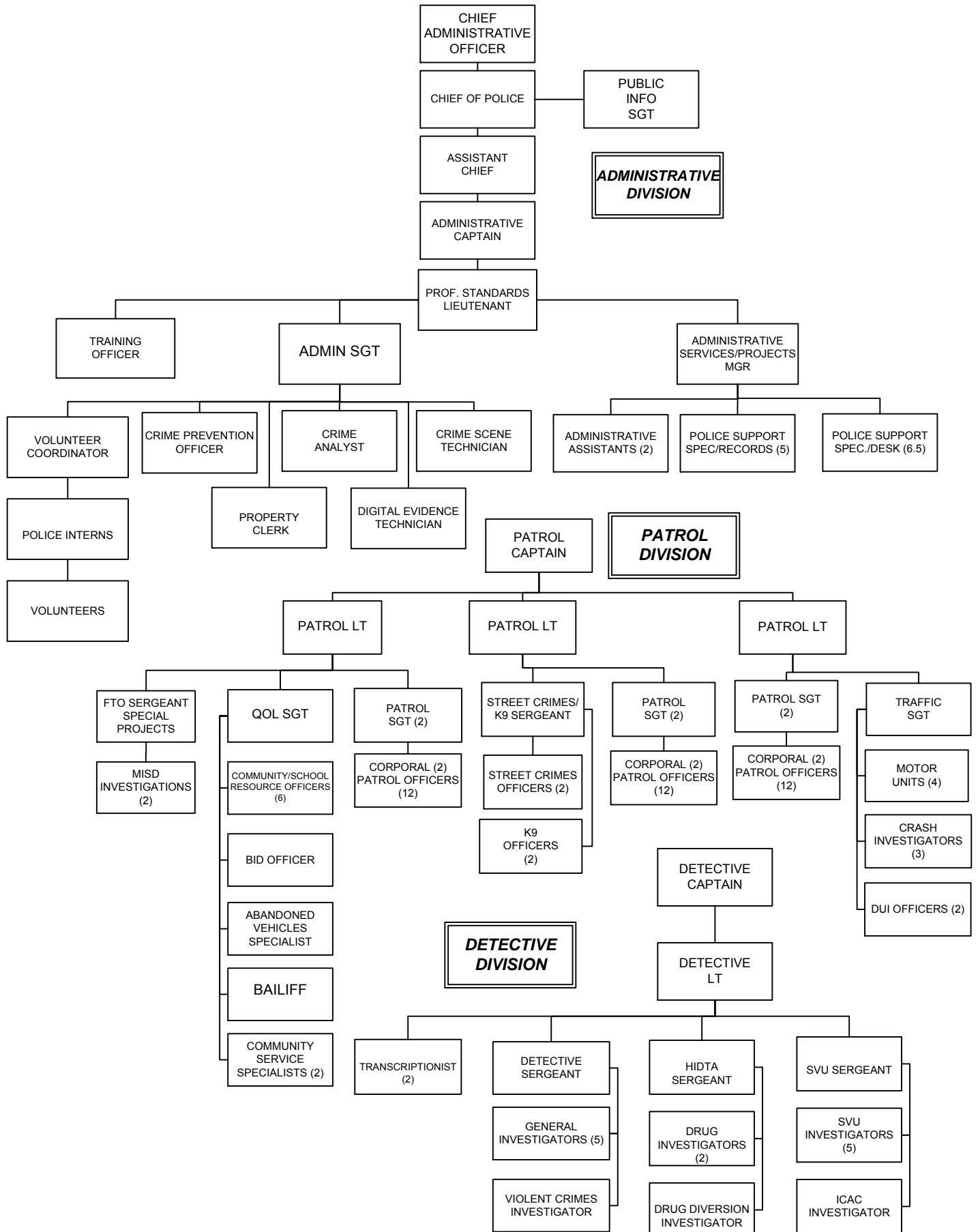
Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Scheduled repair work is an indication of proactive maintenance. Scheduled work cost less and results in far less downtime than unscheduled work. Unscheduled work costs 50% more and results in higher downtime rates. The goal is 70% scheduled repair work.	98.12%	98.76%	99.16%	70%
2 . Preventive Maintenance (PM) promotes a safer, more efficient, fleet of vehicles. Additionally PM will extend the useful life of City Equipment. The goal is set at 60% direct PM work. <u>Note, indirect time was factored out in FY 2012.</u>	64.15%	67.00%	61.51%	60%
3 . The average age of the fleet reveals how effectively the equipment replacement program is being funded. An average age of 5-7 years is considered ideal in many APWA fleets. The goal set is a fleet with an average age of <u>7 years</u> .	Value is expressed in Years 9.03	9.97	10.38	7.00
4 The total percent of "breakdown" repairs. The goal is less than 5% of the total number of repair jobs.	1.19%	1.24%	1.23%	5.00%

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Total number of equipment repair jobs completed.	5,875	6,111	5,850	6,100
2 . Total number of facility repair jobs completed.	1,393	1,214	1,261	2,730
3 . Total available facility labor hours budgeted.	2,080	2,080	2,080	2,080
4 . Total number of direct facility labor hours on work order	1,566	1,587	1,768	1,825
5 . Total number of mechanic labor hours budgeted.	16,640	16,640	16,640	16,640
6 . Total number of mechanic labor hours on work orders	15,652	15,013	15,076	16,640
7 . Total vehicle, trailers, and equipment count <u>excluding</u> small equipment and emergency fire equipment. *Added Gen Sets in fiscal year 2016.	348	*382	408	>400
8 . Total number of repair jobs resulting from accidents.	30	37	39	<45
9 . Total parts and labor dollars spent on accident repairs.	\$39,956	\$34,257	\$39,008	<\$25,000
10 . Total gallons of diesel fuel used. (CFA Records)	82,145	80,761	82,009	72,000
11 . Total gallons of unleaded fuel used. (CFA Records)	108,501	111,102	111,516	104,000
12 . Total gallons of fuel used. (CFA Records)	190,646	191,863	193,525	176,000



Police Department



Program Description

The Mission of the Police Department is to serve the community of Missoula in a collaborative effort to enhance the quality of life through crime prevention, enforcement of laws, promotion of safety, and reduction of fear. We promote respect and protection of human rights and embrace diversity and the dignity of every person by providing responsive, professional police services with compassion and concern. The Department manages its objectives through collaborative partnerships and the efforts of three major Divisions:

- **Administrative Division**
- **Detective Division**
- **Uniform Patrol Division**

Policing Priorities

As a policing organization, our priority is maintaining a healthy and safe community through measured response to the following issues:

- **Reduce sexual violence and abuse of victims**
- **Quality of Life**
- **Prescription Drug Abuse**
- **Crisis Intervention**
- **Underage Drinking**
- **Driving Under the Influence**
- **Drug Trafficking**
- **Traffic Enforcement**

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

Strategy: We will maintain or improve the level of service to citizens.

- Identify state and federal partners to obtain funding to enhance department's delivery of service.

Goal #2: Harmonious Natural & Built Environment

Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula's citizens

- Continue efforts in providing policing plans to address criminal acts and implement misdemeanor follow-up efforts.

Goal #3 – Quality of Life for all citizens

Strategy: Work together to meet basic human needs with dignity for all.

- Continue with department's outreach to community organizations to provide them with information and resources available through the Missoula Police Department
- Continue efforts in educating and communicating with the community and the University of Montana in an effort to identify and reduce sexual violence and partner family member violence incidents in the community.
- Maintain our Quality of Life program.
- Participate in public engagement opportunities to share information about significant health and safety issues of the community.
- Collaborate with community organizations to provide resources for individuals in crisis.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 13,184,820	\$ 14,009,689	\$ 13,782,046	\$ 14,783,159	\$ 773,470	6%
Supplies	333,145	318,777	302,149	359,167	40,390	13%
Purchased Services	343,533	266,295	302,686	348,270	81,975	31%
Miscellaneous	94,718	16,217	75,109	81,864	65,647	405%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 13,956,216	\$ 14,610,978	\$ 14,461,990	\$ 15,572,460	\$ 961,482	7%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
CHIEF OF POLICE	1.00	1.00	1.00	1.00
ASSISTANT CHIEF	1.00	1.00	1.00	1.00
CAPTAINS	3.00	3.00	3.00	3.00
LIEUTENANTS	5.00	5.00	5.00	5.00
SERGEANTS	15.00	15.00	15.00	15.00
CORPORAL	6.00	6.00	6.00	6.00
POLICE OFFICERS	70.00	73.00	73.00	75.00
CRIME SCENE TECHNICIAN	1.00	1.00	1.00	1.00
Sr. ADMIN SERVICES MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	2.00	2.00	2.00	2.00
SUPPORT SPECIALIST	6.00	10.00	10.00	10.00
RECORDS SPECIALIST	4.00	-	-	-
CALL-IN SUPPORT SPECIALIST	1.50	1.50	1.50	1.51
EVIDENCE TECHNICIAN	1.00	1.00	1.00	1.00
PROPERTY CLERK	1.00	1.00	1.00	1.00
SPECIAL SERVICES ASSISTANT	1.00	1.00	1.00	1.00
TRANSCRIPTIONIST	1.00	1.00	1.00	1.00
VOLUNTEER COORDINATOR	0.50	0.50	0.50	1.00
ACCIDENT INVESTIGATORS	3.00	3.00	3.00	3.00
ABANDONED VEHICLE SPECIALIST	1.00	1.00	1.00	1.00
COMMUNITY SERVICE SPECIALIST	2.00	2.00	2.00	2.00
CSO	-	-	-	2.00
Total	127.00	130.00	130.00	134.51

FY17 - 2 additional officers for misdemeanor follow up; request 2 CSS - not funded

FY16 - Requesting two CSS - not funded

FY15 - 3 additional officers (one with subsidized revenue from MT ICAC) & one 25% from COPS H

FY14 - 2 officers grant funded (total 104)

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual CY 2013	Actual CY 2014	Actual CY 2015	Adopted CY 2016
1 . Controlling Fear and Crime				
* Reducing Group A & Group B crimes (Reported)	9,499	8,543	9,310	10,028
* Reduce fear and blight, enhance personal safety: * Increasing safety in public places, by reducing downtown disturbances				
> Disorderly Conduct Incidents	1,145	1,102	1,089	1,345
> Assaults, except Domestic	132	135	95	109
2 . Respect for Law and Authority				
* Ratio of citizen complaints sustained: not sustained *	10/33	15/40	6/33	7/36
* Reduce Use of Force incidents	223	191	192	181
* Assaults on Officers	5	20	21	22
* Increase Professionalism, through: > Advanced Training hours per officer (avg.)	99	64	83	67
3 . Reduce sexual violence and abuse of victims				
* Reduce victim discontinuation in adult felony sexual assaults	22	19	22	22

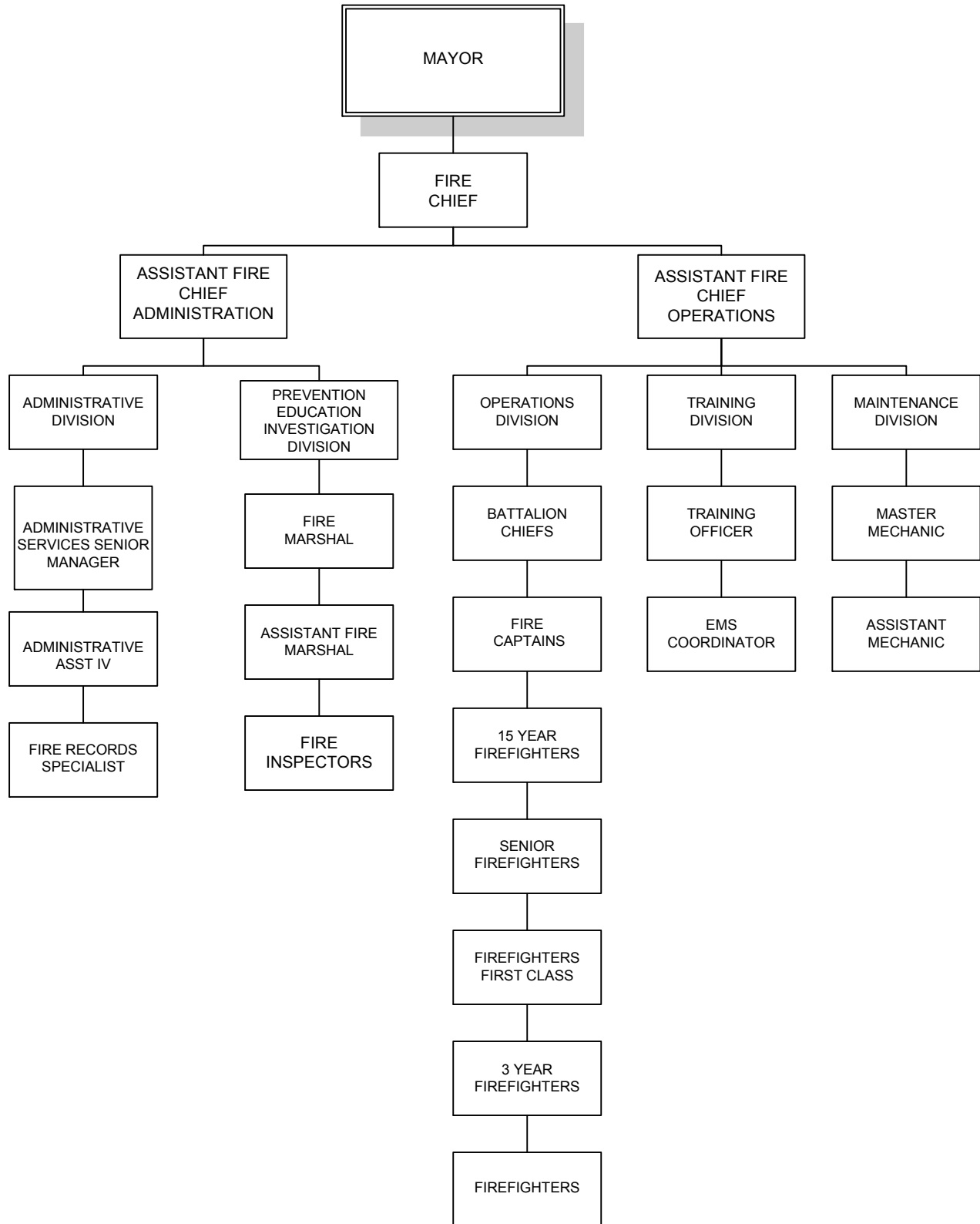
* - indicates complaints against all department employees

Workload Indicators

Indicator	Actual CY 2013	Actual CY 2014	Actual CY 2015	Adopted CY 2016
1 . Calls for Service	41,728	45,605	42,791	51,851
2 . Traffic Citations Issued	15,420	13,475	13,442	16,934
3 . Criminal Citations and Arrests	7,477	6,220	6,798	7,860
4 . Felony Investigations	1,008	955	1,137	1,206
5 . DUI Arrests	661	590	518	462
6 . Injury Crashes	293	261	266	221
7 . Injury Crashes related to DUI	15	10	41	40
8 . Injury Crashes - Bike/Ped	26	36	89	82
9 . Quality of Life Complaints	2,441	2,381	1,970	2,290
10 . Partner/Family Member Assaults	318	368	389	344
11 . Vandalism	1,137	828	871	960
12 . Square Miles of Patrol Area in City Limits	29.2	29.2	29.2	29.2



Fire Department



Program Description

The Fire Department's purpose is to maintain and improve the quality of life and commerce in Missoula by saving lives, protecting property, and easing suffering through the efficient and effective delivery of emergency services, code enforcement, public education, and ongoing training.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will continue to strive to improve the level of services we provide to citizens.
 - Monitor & improve response times for emergency incidents, with a goal of meeting NFPA standards.
 - Monitor & reduce apparatus down time & repair costs; continue to evaluate & refine our apparatus & facility maintenance & replacement schedule.
 - Monitor & increase total training hours; continue to increase number of ALS certified firefighters.
 - Continue update of bureau occupancy records and increase fire & life safety inspections; continue expansion of public education library & maintain involvement in MCFPA fire prevention programs in Missoula County schools.
- Strategy: We will work to identify, investigate and develop additional revenue sources.
 - Annual review of service fees.
 - Continue to apply for available grant funding.
- Strategy: We will continue to strengthen and expand partnerships with our cooperator agencies and seek new opportunities for developing additional relationships.
 - Review & update as necessary automatic & mutual aid agreements and contracts with cooperator agencies (MRFD, EMSLA, DNRC, USFS, MESI, Montana State EMS).
 - Continue involvement in local & state-wide associations (MCFPA, LEPC/DPC, MFFTC, and MSFCA).

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will continue to work with the Missoula City-County Health Department and as part of the Missoula Regional Hazardous Materials Team to provide rapid response to threats to the environment.
 - Renew operations level hazardous materials training for all MFD personnel & technician level hazardous materials training for MFD personnel certified as HM Technicians. Maintain & inventory Missoula Regional HM Trailer & equipment.
- Strategy: We will continue to evaluate expansion of renewable energy systems at MFD facilities.

Goal #3: Quality of Life for All Citizens

- Strategy: We will work with MESI and Missoula's medical community to provide basic emergency medical services and advanced life support services to citizens.
 - Renew EMS certifications (Basic, Intermediate, Paramedic) for all EMTs; document & report on EMS services provided.
- Strategy: We will strive to ensure a safe community by enforcing fire codes and providing public education programs to citizens.
 - Document & report on code inspections & public education programs provided.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 11,691,094	\$ 11,677,178	\$ 12,169,756	\$ 12,645,659	\$ 968,481	8%
Supplies	322,147	269,923	317,771	356,868	86,945	32%
Purchased Services	216,108	242,104	221,880	260,685	18,581	8%
Miscellaneous	6,213	(62,962)	2,996	2,926	65,888	-105%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 12,235,563	\$ 12,126,243	\$ 12,712,403	\$ 13,266,138	\$ 1,139,895	9%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY2014	Actual FY2015	Actual FY2016	Adopted FY2017
FIRE CHIEF	1.00	1.00	1.00	1.00
ASSISTANT CHIEF	2.00	2.00	2.00	2.00
TRAINING OFFICER	1.00	1.00	1.00	1.00
FIRE MARSHAL	1.00	1.00	1.00	1.00
ASSISTANT FIRE MARSHAL	1.00	1.00	1.00	1.00
INSPECTORS	3.00	3.00	3.00	3.00
FIRE BATTALION CHIEFS	4.00	4.00	4.00	4.00
CAPTAINS	20.00	20.00	20.00	20.00
EMS COORDINATOR	1.00	1.00	1.00	1.00
15 YEAR FIREFIGHTERS	3.00	6.00	7.00	8.00
SENIOR FIREFIGHTERS	11.00	11.00	10.00	13.00
FIREFIGHTERS FIRST CLASS	26.00	22.00	23.00	24.00
3 YEAR FIREFIGHTERS	3.00	10.00	14.00	6.00
FIREFIGHTERS	11.00	6.00	2.00	5.00
TRAINEE FIREFIGHTERS	2.00	1.00	-	-
PROBATIONARY FIREFIGHTERS	-	-	-	-
MASTER MECHANIC	1.00	1.00	1.00	1.00
ASSISTANT MECHANIC	1.00	1.00	1.00	1.00
ADMINISTRATIVE PROJECTS MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	1.00	1.00	1.00
SECRETARY	1.00	1.00	1.00	1.00
Total	95.00	95.00	95.00	95.00

2016 Budget Highlights

- During FY2016 we had only one retirement. Captain Brad Roe retired in December after more than 23 years of service with MFD. Assistant Chief Jeff Brandt made the decision to return to the Operations Division to fill the Captain position left vacant by Roe's retirement. Fire Inspector Garrett Venters also returned to the Operations Division prompting the promotion of Firefighter Tavis Campbell to Inspector. Vacancy savings from a vacant Assistant Chief position were used to aid with the City's FY16 budget shortfall. In April, Firefighter Robert Huus returned from his 18 month military deployment. We hope to fill the vacant Assistant Chief position in July of 2016.
 - Our CY2015 response records indicate that emergency responses for that year were up nearly 700 calls from the previous year. MFD responded to 7865 calls for service in CY2015, including 157 fires, 5268 Emergency Medical Service (EMS) calls, and 14 technical rescues.
 - During FY2016 we purchased and placed into service a new Battalion Chief Command vehicle.
 - In FY2016 we began the design and permitting phase for extension of the fire department boat ramp at McCormick Park. It is critical that we secure CIP funds to complete the construction phase in FY2017.
 - Our EMS Coordinator, Ron Brunell, secured an AFG grant to purchase video laryngoscopes for all of our front-line apparatus. This equipment further contributes to our firefighter's ability to save lives and deliver the gold standard of EMS care to our community.
 - Work to develop a Missoula County All Hazard Type III Incident Management Team (IMT) progressed substantially again in FY2016. This team predominantly consists of MFD personnel who took the initiative to undergo extensive training and gain valuable work experience in their particular IMT roles.
 - We anticipate increased general fund revenues through wildland fire contracting and the implementation of the increases to fire department fees for plans review and inspection.
-

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual CY 2013	Actual CY 2014	Actual CY 2015	Adopted CY 2016
1 . Total Inspections Completed	1,041	1418	1439	1500
- Liquor License Inspections (Goal = 100%)	99%	100%	94%	100%
- Schools Inspected (Goal = 100%)	96%	100%	100%	100%
- New Business License Inspections (Goal = 100%)	100%	98%	100%	100%
- Occupancies Past Due for 5 year Inspection (Goal < 100)	484	332	309	
2 . System Response Time 90th Percentile (1 min added for 911 to process call) (Goal= 6 min or less)	7 min	NA*	8:32	7:00
3 . System Response Percentage at 6 Minutes or Less (Goal = 90%) (=MFD response of 5 min or less)	79%	NA*	62%	80%
4 . MFD Average Response Time - Code 3 First Due	4.18 min	NA*	4:49	4:00
5 . Fires Extinguished at Room of Origin (Goal = 75%)	77%	78%	79%	80%
6 . Level One Training - Operations Attendance (Goal = 100%)	82%	59%	69%**	100%
7 . Apparatus Down-Time Percentage (Goal < 2%)	<1%	<1%	NA*	<1%

* Some data not accurate or available due to transition to new RMS system

**Drivers training included as level one in CY2015.

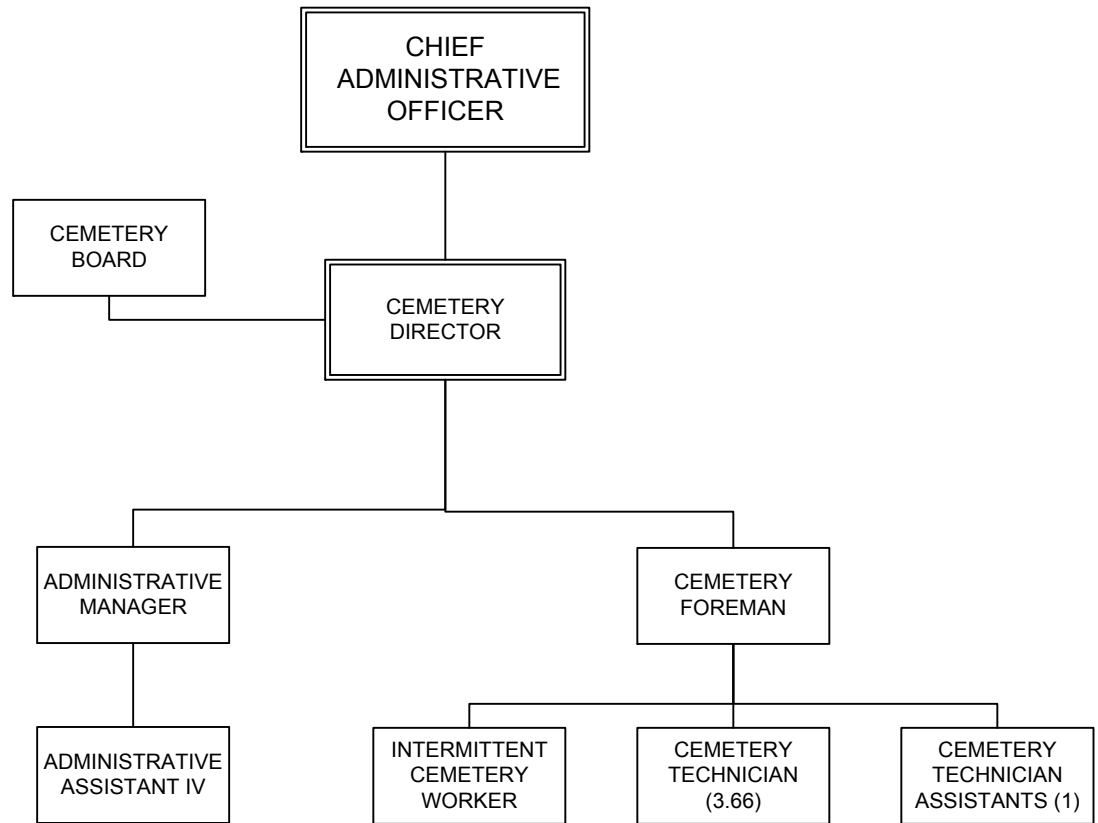
Workload Indicators

Indicator	Actual CY 2013	Actual CY 2014	Actual CY 2015	Adopted CY 2016
1 . Total Call Volume	6,745	7,140	7,865	8,500
- Structure Fires	62	57	68	65
- Vehicle Fires	29	20	24	25
- Grass, Wildland Fires	23	29	65	50
- Medical Aid	4,313	4,697	5,268	5,600
- Technical Rescue	12	16	14	15
- Other	2,306	2,321	2,426	2,745
2 . Fire Investigations	63	66	68	70
3 . Plan Reviews	249	302	359	400
4 . Public Education Events/Drills	179	151	116	150
5 . Station Tours	104	98	33	100
6 . Total Training Hours Delivered	4,556	3409*	3,506	3,500
7 . Total Training Hours Received	18,415	15654*	17,148	18,000

*Some training hours not recorded due to transition to new RMS system.



Cemetery



Program Description

It is the mission of the Missoula City Cemetery and the Missoula Board of Trustees to:

- Maintain a manicured, tranquil setting for the burial of human remains
- Keep burial costs affordable for all citizens
- Conduct burials with dignity and respect
- Remain attentive to future evolving burial needs
- Promote the historical significance of the cemetery

Historical Note: The cemetery was founded by a group of prominent, local citizens in December 1884. It consisted of 16 acres and was originally named the 'Garden City Cemetery.' In May 1901, the City of Missoula purchased the cemetery for \$1.00 and re-named it the 'Missoula Cemetery.' The cemetery now boasts manicured parkland consisting of 40 developed acres and 40 acres undeveloped ground for future burial sites.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - Maintain an easily accessible and appealing website to provide citizens with burial information, answer questions, and promote the cemetery.
 - Develop computerized maps showing burial locations and placing this information onto the cemetery website.
 - Explore options for new services and revenue sources keeping with burial trends.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - Continue designated reserve funds agreed upon in FY2013 by City Council, City Administration, and Cemetery Board of Trustees, which provide funding for cemetery maintenance, equipment, and future enhancements.
 - Niche Fund Reserve – All revenue from the sales of niches is deposited into the Niche Fund Reserve and is designated for the future development of new columbarium and cremation walls and repair and maintenance to existing structures.
 - Memorial Fund Reserve – All monetary donations to the cemetery are deposited into the Memorial Fund Reserve and are designated for the future enhancement of the cemetery.
 - Care Fund Reserve – Fifty percent of all other cemetery sales are deposited into the Care Fund Reserve and are designated for the long-term care of the cemetery including equipment replacement, facility enhancement, and grounds development.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
 - Continue to implement and adjust the cemetery master plan to properly reflect current and future burial trends and individual needs.
 - Continue vegetative management plan which includes weed control, composting recycled materials, and maintaining a sod farm on-site.

Goal #3: Quality of Life for All Citizens in All Places

- Strategy: We will work together to meet basic human needs for all.

- o Continue to provide affordable burial options for all citizens.
- o Expand burial and memorial options for citizens.
- o Continue to review and update cemetery guidelines for future developments to meet the evolving needs of the public.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 526,952	\$ 519,829	\$ 525,180	\$ 531,923	\$ 12,094	2%
Supplies	68,543	73,090	66,002	73,090	-	0%
Purchased Services	28,547	35,486	28,582	41,417	5,931	17%
Miscellaneous	10,010	5,206	5,883	8,685	3,479	67%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 634,052	\$ 633,611	\$ 625,647	\$ 655,115	\$ 21,504	3%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
CEMETERY DIRECTOR	1.00	1.00	1.00	1.00
MAINTENANCE MANAGER	1.00	1.00	-	-
CEMETERY MAINTENANCE FOREMAN	1.00	1.00	1.00	1.00
CEMETERY SEXTON	1.00	1.00	1.00	-
ADMINISTRATIVE MANAGER	-	-	-	1.00
INTERMITTENT LABORERS	0.42	0.26	0.42	0.42
ADMINISTRATIVE ASSISTANT IV	1.00	1.00	1.00	1.00
SEASONAL MAINT TECH. ASSIST.	2.50	1.66	2.49	0.83
CEMETERY MAINTENANCE TECHNICIAN	1.00	2.00	2.00	3.66
Total	8.92	8.92	8.91	8.91

2016 Budget Highlights

- **EQUIPMENT PURCHASE:** A 1992 worn out snow plow was replaced with a new Meyer snow plow that fits onto the front of the cemetery one-ton truck for plowing all cemetery streets. Cost in FY2016 from the Cemetery Care Fund was \$5,895.
- **ENERGY CONSERVATION PURCHASE:** A 1970 inefficient 60hp turbine well pump that was pumping at approximately 65% capacity was replaced with a new submersible pump, a variable frequency drive and inline filter, and electrical upgrades for energy efficiency. Cost in FY2016 from the Cemetery Care Fund was \$67,906.
- **PROMOTION:** A new user-friendly website was launched promoting the cemetery through pictures and sales options. The website provides burial information, printable block maps, rules and regulations, monument requirements, and individual histories found within the cemetery.
- **INFRASTRUCTURE:** A new chain link security fence was installed. The new fence surrounds the back yard staging area for cemetery equipment storage and an area used by Missoula Police Department for training.

Projects ongoing:

- **Records Management:** Permanent retention, disaster recovery, and database entry of burial and cemetery records dating back to 1883 remains an on-going project. Eventually, much of this information will be placed onto the cemetery website for public access.
 - **Grounds Maintenance:** Maintenance staff continue to improve maintenance efficiency and the overall appearance of the cemetery. A vegetative management plan consisting of vegetation control, fertilization, aeration, and irrigation has proven to be highly successful. The Missoula City Council reviewed and approved this plan with continued irrigation improvements as budget allows.
 - **Composting:** The cemetery mowers allow for recycling of grass clippings and leaves with no additional staff time requirements. The current composting piles have been valued at several thousand dollars and are used for flower beds and landscaping. Parks and Recreation have also used this compost in some of the flower beds throughout the City of Missoula.
 - **Cemetery Land:** Develop new sections to meet the future demand for burial sites. Continue the re-organization of cemetery land currently being utilized as storage for various City of Missoula departments. The goal is to maintain a positive public appearance while meeting storage needs.
 - **Revenue:** The Cemetery Board of Trustees and staff continue developing promotional concepts in a coordinated effort to increase revenue productivity.
 - **Police Department:** The cemetery continues to work closely with the Missoula Police Department by allowing access to cemetery grounds for training and certification needs. Examples of training held on cemetery grounds are: motorcycle certification, SWAT training track, and canine training exercises.
 - **Cemetery Overview:** The Cemetery Board of Trustees reviews and updates cemetery rules and regulations, ordinances, revenues, expenditures, equipment replacement, promotional ideas, and monitors and makes improvements to the cemetery master plan.
 - **Stories and Stones:** Missoula Cemetery continues to offer a popular annual historical tour called Stories and Stones. Access to individual histories, guidebooks, photos, and video presentations are available on the cemetery website.
-

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Proposed FY 2017
1 . Operates a City office that is efficient, courteous and responsive to the public while upholding Chapter 12.44 of the Missoula Municipal Code.	100%	100%	100%	100%
2 . Coordinates scheduling of burials with funeral homes and/ families. Coordinates pre-need planning with families.	100%	100%	100%	100%
3 . Coordinates the sale of graves and niches to the public.	100%	100%	100%	100%
4 . Promotes the cemetery through an information website, public tours, and during the Memorial holiday weeks where extra staff are on hand to assist the public.	100%	100%	100%	100%

Workload Indicators

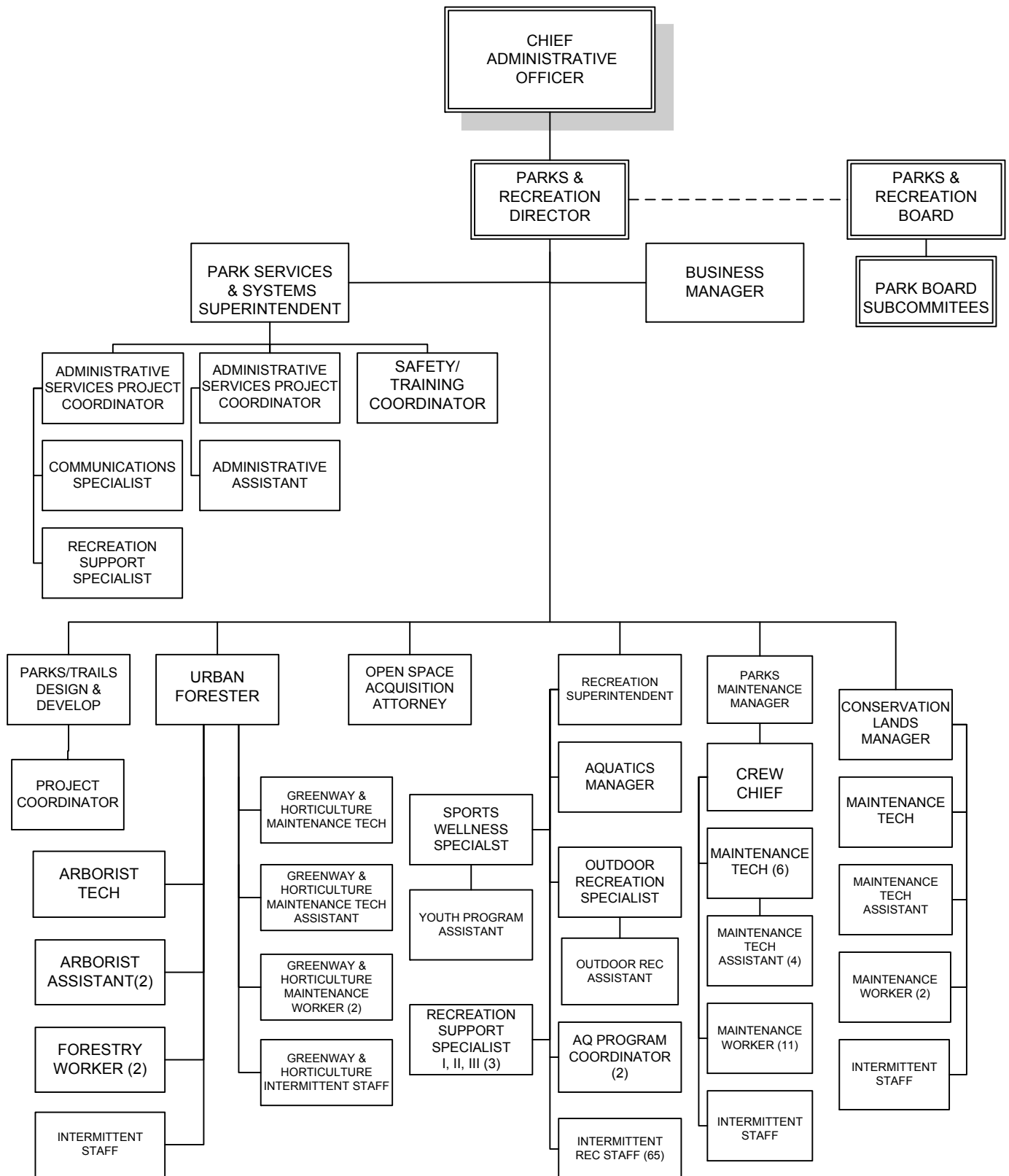
Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Proposed FY 2017
1 . Grave sales	24	27	40	30
2 . Niche sales	22	36	26	20
3 . Open and closings	68	67	55	75
4 . Disinterment	1	-	1	1
5 . Foundations	45	60	39	55
6 . Mowing/leaf removal	2,130	2,125	2,125	2,125
7 . Trimming/weeding	1,445	1,450	1,450	1,450
8 . Irrigation	1,615	1,600	1,600	1,600
9 . Equipment/vehicle repair	425	680	450	450
10 . Vegetation control	550	550	550	550
11 . Facility maintenance	1,850	1,875	1,875	1,875
12 . Flower boxes/beds	379	415	250	250

Note: 1-5 equal actual numbers

Note: 6-11 equal actual hours



Parks & Recreation



Program Description

Missoula Parks and Recreation is inclusive, serving all, with lands to steward and protect as well as lands and facilities open for use. We build and grow loyal constituents through appropriate communication, quality services, and demonstrated belief in the power of community. We promote quality of life, pride in community, and community engagement in a variety of forms and ways. For everyone, "Parks and Recreation is me"!

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

We will work toward sustainable management of resources by becoming a greener department through recycling as practical, energy savings through conversions, and reduced water use. We will work toward sustainable funding through partnerships, volunteerism, grants, foundations, and park maintenance districts.

We will diversify Missoula's economy by providing state-of-the-art aquatics facilities, parks and athletic facilities, commuter and recreation trails, river access, and venues that support our businesses. Specific project examples include development of Fort Missoula Regional Park, Missoula to Lolo Trail, expansion of Splash Montana, addition of meeting, gym and cultural spaces to Currents to create a multi-generational community center, and the Active Transportation System.

- Strategy: diversity Missoula's economy by providing state of the art aquatics, parks, and athletic facilities, commuter and recreation trails, river access and venues that support business.
 - Fort Missoula Regional Park - General Obligation Bond – November 2014. Phase one (west) opening Spring 2017. Phase 2 (east) demolition fall 2016 and open spring 2018.
- Strategy: work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy
 - Missoula to Lolo trail with new South Reserve Ped Bridge will provide continuous connection form Missoula to Hamilton. Bridge to open Fall 2016. Second annual Bicycle Celebration in partnership with the Bitterroot Trail Alliance scheduled for July 2017.
 - Trees for Missoula Volunteers-in-Pruning Program trains citizens to formative prune young trees. Beta program successful with over 350 young trees pruned. Gravel based bare root tree stock program plantings fall 2016.

Goal #2: Harmonious Natural and Built Environment

Through implementation of approved community plans such as the Master Park Plan, Transportation and NMT Plans, and Open Space Plans, plus best practice in design, Parks and Recreation will meet the needs and demands of citizens for alternative transportation, clean air, clean water, and environmental stewardship.

- Strategy: implementation of approved community plans:
 - Design standards – medians, boulevards, trees – adopted in FY 2016 and implemented in design review. Additional standards and update planned for FY17.
- Strategy: reflect values of sustaining and improving our conservation lands within and on the edge of the urban area for the benefit of citizens and wildlife.
 - Develop management plan, communications strategies, and apply for DNRC grant for:
 - Clark Fork River management plan for recreation – Hellgate Canyon to Russell Street
- Strategy: reflect values of sustainability in transportation and building design
 - Emphasize bike and pedestrian connectivity to increase mode shift
 - Incorporating SITE principals in design of Fort Missoula Regional Park project
- Strategy: enhance the quality of our green infrastructure

Goal #3: Quality of Life for All Citizens

We will work to provide, with dignity for all citizens, full access to healthy recreation opportunities, which include direct services, self-directed play, connection with nature, opportunities for volunteerism, and support for healthful work force housing.

- Strategy: work together to provide a connection with nature and opportunity for volunteerism.
 - Program and coordinate volunteers for special events and projects
 - Partner with Montana Natural History Center and Missoula Children and Nature network
 - outdoor plan and nature connectedness
 - Expand access to services for all demographics
 - Parks and Trails GO bond implementation - Playgrounds, trails, at the Fort
- Strategy: work with multiple partners to provide all citizens access to healthy environments and active play
 - Let's Move! Missoula
 - Unplug and Play
 - Morning Move and Afterschool programs
 - Neighborhood park site plans
 - Bellevue, Syringa, Hellgate – plans adopted and implementation/fundraising started
- Reach MORE!
 - All abilities Recreation League
 - Fishing, hiking, biking

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 2,747,095	\$ 3,023,735	\$ 2,897,335	\$ 3,039,146	\$ 15,411	1%
Supplies	229,182	248,111	207,392	255,351	7,240	3%
Purchased Services	449,934	485,006	486,447	503,590	18,584	4%
Miscellaneous	10,000	10,000	10,000	17,810	7,810	78%
Debt Service	-	-	-	-	-	
Capital Outlay	15,280	-	-	-	-	
Total	\$ 3,451,490	\$ 3,766,852	\$ 3,601,173	\$ 3,815,897	\$ 49,045	1%

* Un-audited numbers

2017 Budget Highlights

The Department is thankful the Fiscal Year 2017 budget process provides opportunities to submit funding requests for Capital Improvements and Service Enhancements to better serve the residents of our community.

The Department continues to examine itself and initiate changes to improve the way in which we do business and deliver services to the community. Changing maintenance practices; providing new tools like the Urban Forestry Management Plan, Park Design Standards, developing and sustaining partnerships; leveraging funds; promoting volunteer opportunities; seeking sponsors for events; soliciting donations and grants are just some of the ways the Department is working to meet City goals specific to Quality of life for all people in all places, Fiscal sustainability, and Harmonious natural and built environment.

In addition to City Strategic Goals, the Parks & Recreation Department's FY17 requests were developed around, and prioritized, using foundational guidelines: Ensure Public Safety; Meet Legal Mandates; Address Preventative Maintenance, Maintain Existing Infrastructure, Leverage Funds; and, Add Capacity or Services. Projects and enhancements that meet all or most of these guidelines were prioritized above those that did not.

The Department's highest priorities in the proposed FY17 budget requests places emphasis on providing programming and opportunities for all Missoula citizens; seeking adequate funds to sustainably maintain facilities to meet user demands; and, secure resources to maximize the life of existing park resources and infrastructure.

The Department's top goals for FY17 include:

- Fort Missoula Regional Park – Phase 1, West 93 acre parcel is 85% complete with planned opening in late April 2017.
- Continued growth and success it will be necessary to look at the overall department to determine what level of staffing is needed to maximize efficiency and productivity
- Implementation of Urban Forestry Management Plan and continue efforts to meet goals with Council approved staffing level change of moving 4 ten month seasonal positions to 12 months full time.
- Renovation of trails and trailheads on Conservation lands with the additional \$15K provided by Council.
- Implementation of Park Asset Management and Turf Management Plans
- Additional programs for recreation – Reach MORE and Let's Move Initiative (grant and fee supported)
- Trail construction projects completed – M2L, and Kim Williams East, Grant Creek,
- Maintenance for new Missoula Art Museum
- Addition of a Business Manager to provided additional fiscal management and sustainability for the Department and growing services.

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY2014	Actual FY2015	Actual FY2016	Adopted FY2017
1 . Expansion of Recreation services through volunteerism and scholarship and partnership w ith MNC, REI and the Health Department				
Increase # of participants in Rec programs	11,270	13,187	13,846	13,846
Increase amount of funding for Scholarships	\$ 17,525	\$ 18,401	\$ 32,000	\$ 35,000
Increase # of Volunteer Hours	6,411	1,309	8,500	8,500
2 . Increase Number of Shelter reservations				
Number of Shelter/permits	449	437	591	600
Number of People Served	22,740	19,503	22,596	23,000
3 . Develop Park and Trail Standards	50%	55%	75%	100%
4 . Leveraged funding:	209,814	149,570	27,037,000	13,750,000
NOTE: Donations/Grants/Other				
Grant Creek Trail, Kiwanis Park Playgrounds,				
DNRC.P&T Fort and Playground				
Not General Fund or Park District				

Workload Indicators

Indicator	Actual FY2014	Actual FY2015	Actual FY2016	Adopted FY2017
RECREATION				
1 . Special Use Permits	125	98	100	125
2 . Concession Permits	53	48	58	58
3 . Scholarships for families	188	227	295	300
MAINTENANCE				
1 . Miles of paved commuter trails maintained	21	22	23	23
2 . Number of lights maintained	362	427	427	427
3 . Number of restrooms maintained	32	32	32	32
4 . Number of athletic fields maintained	37	37	37	37
5 . Number of playgrounds maintained	33	33	34	34
6 . Number of irrigation systems maintained	114	114	114	114
7 . Number of dog parks maintained	3	3	3	3
8 . Number of benches maintained	234	234	235	235
9 . Number of signs maintained	72	72	72	72
10 . Acres of turf irrigated	387	387	399	399
URBAN FORESTRY				
1 . Number of trees planted	105	150	150	150
2 . Number of trees pruned	100	250	250	250
3 . Number of high risk trees removed	98	79	30	30
4 . Number of annual flowers planted	260	260	5,220	5,220
CONSERVATION LANDS				
1 . Number of acres thinned on CL for fuel reduction	45	104	120	120
2 . Number of acres surveyed on which weed were sprayed	785	500	500	500
3 . Number of acres grazed for weed control on CL	886	900	1,180	1,180
4 . Number of trailheads maintained	49	49	49	49
5 . Miles of conservation trail maintained	48	48	48	48
6 . Number of acres reseeded on CL	134	130	128	128
7 . Number of trailheads maintained CL	35	35	35	35
8 . Number of access points maintained CL	31	31	31	31
9 . Number of kiosks	6	6	5	5
10 . Number of signs maintained	216	199	199	199
11 . Number of native plants planted on CL	992	992	992	992
12 . Number of acres of weeds hand pulled CL	20	9	20	20
13 . Number of benches maintained	14	14	14	14
14 . Number of bridges	5	5	5	5

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
DIRECTOR	1.00	1.00	1.00	1.00
PARK SERVICES AND SYSTEMS MANAGER	1.00	1.00	1.00	1.00
PARK MAINTENANCE MANAGER	1.00	1.00	1.00	1.00
OPEN SPACE ACQUISITION & GRANTS MANAGER	1.00	1.00	1.00	1.00
PARKS & TRAILS DESIGN & DEVELOPMENT MANAGER	1.00	1.00	1.00	1.00
RECREATION MANAGER	1.00	1.00	1.00	1.00
RECREATION SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
RECREATION SPECIALIST-M.O.R.E.	1.00	1.00	1.00	1.00
RECREATION SPECIALIST-SPORTS & WELLNESS	1.00	1.00	1.00	1.00
ADMIN SERVICE MGR/PROJECT COORDINATOR	1.00	1.00	1.00	0.90
CONSTRUCTION PROJECT COORDINATOR	1.00	1.00	1.00	1.00
URBAN FORESTER	1.00	1.00	1.00	1.00
CONSERVATION LAND MANAGER	1.00	1.00	1.00	1.00
ADMIN MANAGER	1.00	1.00	1.00	1.00
ADMIN III - 100 HICKORY	1.00	1.00	1.00	1.00
RECREATION SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
COMMUNICATION SPECIALIST	0.75	0.75	0.75	0.75
SAFETY/TRAINING COORDINATOR	0.83	0.83	0.83	0.83
MORE COORDINATOR	0.89	0.89	0.89	0.89
YOUTH COORDINATOR	0.83	0.83	0.83	0.83
ADULT PROGRAM COORDINATOR	-	-	-	0.25
ARBORIST	1.00	1.00	1.00	1.00
ARBORIST ASSISTANTS	1.66	1.66	1.66	1.66
MAINTENANCE TECHNICIAN ASST	4.17	4.17	4.17	4.15
MAINTENANCE WORKERS	7.25	7.25	7.25	7.50
MAINTENANCE TECHNICIAN	8.00	8.00	8.00	7.00
CREW CHIEF	-	-	-	1.00
PARK ATTENDANT	5.58	5.58	5.58	6.49
FORESTRY WORKER	0.83	0.83	0.83	-
INTERMITTENT POSITIONS (RECEIVE NO BENEFITS)				
OFFICIALS	0.81	0.81	0.81	0.81
LEVEL 1 INTERMITTENT RECREATION	0.38	0.38	0.38	0.38
LEVEL 2 INTERMITTENT RECREATION	2.84	2.84	2.84	2.84
LEVEL 3 INTERMITTENT RECREATION	1.32	1.32	1.32	1.32
LEVEL 4 INTERMITTENT RECREATION	2.39	2.69	4.73	4.55
LEVEL 5 INTERMITTENT RECREATION	1.10	1.10	1.10	1.03
LEVEL 5 SPECIALTY INSTRUCTOR - KIA	0.01	0.01	0.01	0.01
PART TIME CASHIER	-	-	-	-
PHONE RECEPTIONIST	0.41	0.41	0.41	0.41
Total	57.05	57.35	59.39	59.60

Program Description

The purpose of Non-Departmental accounts is for expenditures which are of a general nature and not accurately assignable to any individual department. Rather than spreading the costs among departments, all expenditures are consolidated into separate, non-departmental accounts.

Goals & Objectives

AGING SERVICES - Activity Budget equals \$ 175,000

The City agreed to pay 1 mill to Missoula Aging Services in FY 01. This amount has grown steadily in the past years as the value of a City mill increased. However, now that the "Big Bill – HB 124" has been enacted by the Legislature, the value of a mill and its trailing revenues has changed substantially. The formula for providing support to Missoula Aging Services will need to be changed for future years.

ANIMAL CONTROL TRANSFER - Activity budget equals \$ 334,186

This program consists of a transfer of funds to the City/County Health Department for animal control activities. The program objectives are provided in the Health Department's section of this budget

ACCELA AUTOMATION DEBT SERVICE – Activity budget equals \$ 100,426

AQUATICS SUBSIDY - Activity budget equals \$ 203,000

COMPREHENSIVE INSURANCE - Activity budget equals \$ 907,563

This program is used to fund the City's automobile, general liability, property fire and other insurance premiums, insurance claim deductibles, sewer backup claims paid under the City's Goodwill Policy, and certain claims defense or administration costs.

CONTINGENCY - Activity budget equals \$ 100,519

The City formerly levied and appropriated a \$10,000 contingency account in the Finance Office budget to be used for unanticipated expenditures. This amount has often not been sufficient, so the City Council agreed in FY 88 to raise the contingency to \$50,000. The City Council directed that this account be funded from the year end cash balance (cash reserves) so as not to levy for an expenditure that will most likely not be used. It was raised to \$100,000 in FY 91, but had to be lowered to \$66,000 in FY 92. It has remained at \$100,000 since FY 93.

DEBT SERVICE OPERATING EQUIPMENT – Activity budget equals \$489,899

Projected annual debt service for the master lease vehicles purchased in preceding fiscal years.

EMERGENCY RESPONSE CONTINGENCY - Activity budget equals \$ 50,000

This activity was established in FY 97 for the purpose of recording the City's expenditures that it frequently incurs related to responding to emergency disaster events which will be reimbursed. Recent events that fall into this category are the responses to the 1996 Montana Rail Link chlorine spill, forest fire fighting assistance to the Montana Department of Natural Resources and the 1996 winter floods.

HEALTH INSURANCE RESERVE & TRANS TO EMPLOYEE BENEFIT FUND - Activity budget equals \$ 442,000

This contribution is for a subsidy to pay for a portion of the retirees' premiums to the Employee Benefit Fund and also reserves the City's share of health insurance contribution for eligible employees.

MERCHANT FEES – Activity budget equals \$29,700

This is a fee that the City incurs from providing the service of accepting credit cards for multiple types of transactions including, but not limited to business licenses, police reports, fingerprints, Parks registration fee, etc.. This amount is the annual fee that is payable to the different credit card merchants the City utilizes for taking such payments.

MUSIC RIGHTS – CITY BAND/MUSICAL VENUES – Activity budget equals \$1,300

This activity is created for the costs incurred by the City for reproduction of copyrighted songs for venues such as Currents & Splash as well as other activities in which copyrighted songs are played.

PROTECTIVE INSPECTION – Activity budget equals \$ 5,000

These are costs charged to the General Fund by the city's Building Inspectors for time that they spend doing safety inspections. By State law, our building inspectors can only charge time to the Building Inspection fund for their time involved in issuing building permits (as well as mechanical, electrical & plumbing permits too).

REIMBURSABLE LOSSES - Activity budget equals \$ 50,000

This account is for expenditures made pursuant to insurance claims for damaged, destroyed, or missing City property. The expenditures in this account are completely reimbursed by the City's insurance carriers.

SALARY RESERVE 2% NON-UNION INCREASE – Activity budget equals \$ 179,506

This is for a salary reserve for the salary increase for all the non-union employees.

SID ASSESSMENTS - Activity budget equals \$ 116,000

This program provides the funding of the City's at large share of special assessments, such as curbs and sidewalks construction and street maintenance and street sweeping, on properties owned by the City such as City parks, City offices and the City art museum building.

TERMINATION PAY – Activity budget equals \$ 25,000**TRANSFER TO C.I.P. FUND** - Activity budget equals \$ 1,328,341

This is a transfer to the Capital Improvement Program (C.I.P.) Fund for general fund financed capital improvements.

LEGISLATIVE PROGRAM – Activity budget equals \$ 33,000

Funds will support City of Missoula lobbying efforts during the 2015 Session of the Montana State Legislature.

CELL PHONE EDUCATION CAMPAIGN – Activity budget equals \$ 65,000**HEALTH DEPARTMENT CONTRIBUTION** - Activity budget equals \$ 1,420,333

This program represents the City's contribution to the City/County Health Department pursuant to inter-local agreement. The scope of the Health Departments' activities include health services to improve the health of the entire community through health promotion, health maintenance and disease prevention, and monitoring and regulation of air quality, waste disposal, underground storage tanks, food handling, water quality and junk vehicles. The program objectives are provided in the Health Department's section of this budget.

Goal Area One: Funding and Service*

- Improve client confidentiality, safety and comfort in the Immunization and WIC waiting and reception areas by completing a remodel no later than June 30, 2014.
- Achieve Public Health Accreditation Board accreditation by January 30, 2014.
- By June 2015, the Department will secure all revenue and manage expenses and capital as needed to maintain existing mandated services and meet increased service demand; the annual operating budget will be at least 110% of the FY 2013 approved budget.
- By June 2015, department- wide quality improvement will be regularly implemented and documented annually, with 100% completion rate reported out annually to the Steering Committee.

Goal Area Two: Harmonious Natural and Built Environment

- By June, 2015, 15% of Missoula County homes will have been tested for radon.
- Reduce number of public and private drinking water wells exceeding the nitrate drinking water standard (10 mg/l), the arsenic drinking water standard (10 mg/l), and those found to contain fecal coliform bacteria contamination.
- By June 30, 2015, lower the number of days Seeley Lake exceeds the 24-hour PM_{2.5} National Ambient Air Quality Standard from 2012 levels by at least 15%.
- By June 20125, reduce the number of animal-related bites by 10% for the city/county.

Goal Area Three: Quality of Life for All Citizens

- By June 2015, reduce childhood obesity in Missoula County by 5% which is a reduction in prevalence from 12% obese to 10.8%.
- Provide comprehensive, intensive public health nurse case management to all foster children in Missoula County who are ages newborn to five years, newly placed or in placement transition, and youth approaching their 18th birthday when they "age-out" of foster care.
- By June 30, 2015, 80% of Missoula City-County Health Department's 19-36 month-old patients will be up to date on immunization coverage.
- By July 2015, increase to 20% the rate of mothers enrolled in WIC prenatally who exclusively breastfeed for six months.
- By June 2015, provide sustainable evidence-based maternal child health home visiting services to at least 40 at-risk women and their children through Nurse-Family Partnership (NFP.)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	386	\$ 13,710	(926)	204,506	\$ 190,796	1392%
Supplies	(231,403)	87,625	137,429	115,000	27,375	31%
Purchased Services	407,588	-	5,062	55,023	55,023	
Miscellaneous	5,056,508	5,181,816	4,901,959	4,955,919	(225,897)	-4%
Debt Service	565,484	534,574	579,660	590,325	55,751	10%
Capital Outlay	8,000	-	-	-	-	
Total	\$ 5,806,563	\$ 5,817,725	\$ 5,623,183	\$ 5,920,773	\$ 103,048	2%

* Un-audited numbers

Fund Description

This fund accounts for the revenues and expenditures of money received from developers as "Payment in Lieu of" park land dedications. Pursuant to Section 76-3-606 MCA, developers may make cash contributions instead of dedicating part of the area being developed as park land.

This money is then earmarked for park acquisition, development and/or capital improvements. The allocation of funds is dependent on the adopted community parks plan; Master Parks Plan for the Greater Missoula Area adopted May 2004 as an amendment to Missoula Growth Policy.

Activities & Objectives

Potential projects for the use of these funds in FY17 are listed below. It should be noted that the City's Parks and Recreation Department provides much of the labor for many of these projects.

1. Development shall be determined per the Master Parks & Recreation Plan for the Greater Missoula Area as adopted May 2004 as an amendment to Growth Policy.
2. Per the Master Park Plan, funds received will be spent within a 1.5 mile radius of where the new development is located that contributed the cash-in-lieu.
3. CIP Park Development projects. See Park CIP program for details on proposed projects.
4. Using cash-in-lieu funds for maintenance of parks is not to exceed the percentage as outlined in 76-3-606 MCA. (50%)
5. Other funding sources for park acquisition and development include:
 - A. Per Ordinance #3270 sale of parkland revenue
 - B. Fees assessed for park encroachments and easements
 - C. Fees assessed as agreed upon through development

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	10,000	-	10,000	-	0%
Purchased Services	-	35,000	-	35,000	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	58,869	168,578	-	198,228	29,650	18%
Total	\$ 58,869	\$ 213,578	\$ -	\$ 243,228	\$ 29,650	14%

* Un-audited numbers

Fund Description

The Park Enterprise Fund was established to earmark fees from many recreation programs and facility rentals for purchases and improvements to benefit those programs directly. The revenue sources are from organized recreation leagues, and user groups, with a portion or percent of their fee going to that program specifically.

Activities & Objectives

The operating supplies purchased from this fund include bases, goals, nets, turf, seed, field liners, specialized turf aerators, specialized soils, lights, fixtures, and irrigation repair parts. The purchased services account is for any major repairs that might need to be done by an electrician or other contractor.

The capital outlay projects are geared towards the needs of the individual programs, but potential projects for FY 17 are listed below. Supplies, equipment, and labor for installation or construction of these projects is often provided by the Parks and Recreation Department to leverage these funds.

1. Tennis Court Resurfacing, tennis supplies and materials
2. Soccer field construction, improvements, repair, maintenance and goals
3. Softball field construction, improvements, repair, maintenance and lights
4. Volleyball court construction, improvements, repair and maintenance
5. Basketball facilities construction, improvements, repair and maintenance
6. Athletic field construction, improvements, repair and maintenance, equipment
7. Improvements to parks
8. Aquatics and spray deck improvements
9. Recreation facility and equipment improvements
10. Ropes Course improvements and inspections

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	21,970	35,000	1,264	35,000	-	0%
Purchased Services	103	30,000	3,312	30,000	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	210,150	-	265,565	55,415	26%
Total	\$ 22,073	\$ 275,150	\$ 4,576	\$ 330,565	\$ 55,415	20%

* Un-audited numbers

Fund Description

Donated and/or earmarked funds gifted and allocated for specific causes, areas, projects issues, or programs.

Activities & Objectives

Missoula Trails Planning, Development & Improvement - \$108,100

This fund was started in FY 92 with the acquisition of the RS Greenway and development of a community trail plan. The fund shall be used for general or specific earmarked trail projects to include all facets of trail planning, acquisition, design, construction, improvements, amenities and maintenance.

Park Memorial and Partners in Parks - \$150,000

This includes donations from individuals, businesses, service groups and non-profits. Donations are earmarked for supplies, purchased services, improvements at specified facility and may include park benches, trash cans, playground equipment, and other improvements as needed.

Recreation Program Special Events Donations - \$70,000

This includes donations from individuals, businesses, service groups and non-profits. Donations are earmarked and may include youth scholarships, program supplies, participant t-shirts, awards, volunteer shirts and incentives, advertising, purchased services, such as professional musicians and artists, program grant matches, survey fees, educational tools, safety equipment and supplies.

Urban Forestry - \$55,000

Includes donations and special fundraisers with funds earmarked to be used for purchase of trees, planting materials, memorial plaques, advertising, special equipment and contract services that are specifically for the advancement of the City's Urban Forestry program. Activities and projects include Christmas Evergreen, Memorial Trees, Cost Share, and Run for the Trees and various grant programs. Includes new grant received for Silva – Missoula Art Museum project.

DNRC/Forest Health Grant - \$20,000

Money received for tree thinning project on Mount Jumbo. This is the balance left from the original grant.

DNRC/Clark Fork River Grant - \$50,000

In August 2015, Missoula Parks and Rec. and the Missoula Water Quality District were awarded a competitive Renewable Resource Planning grant from the DNRC to fund preliminary engineering and design of several sustainable access points and restoration plans for adjacent unsustainable access points.

Special Events Revolving Account - \$25,000

This activity is for any special event held by Parks & Recreation to raise funds for a specific purpose or cause. The balance of the fundraising effort will be assigned to the cause for which the event was held.

Kiwanis Park - \$158,650

Money received for the construction of new playground at Kiwanis Park. This is funding from CDBG and includes funding for a playground and replacement of the restroom.

Open Space Acquisition Donations - \$10,000

Donations, gifts, fundraisers and memorials dedicated to general or specific parks, projects, or lands which may include acquisitions, design, construction, improvements amenities and maintenance of open space lands.

Conservation Lands Management Donations and Grants - \$60,000

Donations, gifts and fundraisers held and funds earmarked specifically for acquisitions, maintenance and management of Open Space and Conservation lands. Funds may be used for acquisition including all related acquisition costs, signs, trail construction, herbicide treatment, vegetation management practices, volunteer projects and incentives, fencing, and professional services related to land acquisition and management.

Recreation, Trails, Program Grant - Wayfinding - \$27,000

Wayfinding Plan including GPS points that works for 911 dispatch & emergency response; include a plan for trail users, actual Wayfinding (trail & place routes). Include Rx Trail labels for one mile loop trail. Use balance of funds for bollards, poles, signs, sign fabrication, printing and P&R match to include installation of systems 1, 2, and 3 above using Dept. staff, volunteer groups and equipment. Funding from RTP, Missoula City HR, Missoula County Disaster Services.

Recreation MORE - \$30,000

Financial or in kind support for events or program organized for the MORE program which includes volunteer events.

Recreation Adult Sports and Wellness - \$5,000

Financial or in-kind support for events or programs for Adult programs

Recreation Scholarship - \$5,000

Financial or in-kind support for events or programs for Youth or Family Scholarships

County Weed Program - \$15,000

Money received for Vegetation management on Conservation Lands.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 6,183	\$ 13,200	\$ 17,513	\$ 13,200	\$ -	0%
Supplies	39,659	103,100	45,072	108,100	5,000	5%
Purchased Services	32,671	257,000	125,017	265,000	8,000	3%
Miscellaneous	5,089	75,000	1,260	25,000	(50,000)	-67%
Debt Service	-	-	-	-	-	
Capital Outlay	245,757	496,620	9,690	236,800	(259,820)	-52%
Total	\$ 329,359	\$ 944,920	\$ 198,553	\$ 648,100	\$ (296,820)	-31%

* Un-audited numbers

Fund Description

Enhance the quality of life in our community by promoting public sports and wellness programs and recreational opportunities at an indoor facility.

Activities & Objectives

- Implement improvements to various recreation programs based on customer evaluations, trends and staff expertise.
 - Provide comprehensive recreation program opportunities for all ages and interests, including special events, tournaments, non-traditional recreation and partnership programming.
 - Continue building on collaborative efforts with agencies, organizations and businesses to further the mission of Active Kids by providing programs and promoting the Daily Dose concept to enhance physical health and combat childhood obesity among Missoula citizens.
 - Continue to work toward providing adequate recreational programming in the winter and shoulder seasons due to a lack of community gym space.
 - Promote the Lets Move, Missoula initiative by providing year round access to safe places and programs for residents to increase their activity levels.
 - Local gyms in our community have very limited access for sports and wellness programs, therefore we will continue to partner with other organizations to provide rental time for partner programs.
-

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ 12,000	\$ 12,012	\$ 12,000	\$ -	0%
Supplies	1,112	5,000	5,030	6,000	1,000	20%
Purchased Services	-	2,000	-	2,000	-	0%
Miscellaneous	24,000	24,000	24,000	24,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 25,112	\$ 43,000	\$ 41,042	\$ 44,000	\$ 1,000	2%

* Un-audited numbers

Fund Description

The Fort Missoula Regional Park Enterprise Fund was established to earmark fees from many recreation programs and facility rentals for purchases and improvements to benefit those programs, and related revenue potential, directly. The revenue sources for the enterprise fund are from organized recreation leagues, user groups, programs and event sponsorships, with a portion or percent of fees and revenues going to the specific program, use zone, and a portion to the greater FRMP complex. Fort Missoula Regional Park is for the benefit of the entire community by promoting sports, recreation, science, historical and cultural opportunities and community benefits."

Activities & Objectives

- Implement improvements to various recreation programs based on customer evaluations, trends and staff expertise.
- Provide comprehensive recreation program opportunities for all ages and interests, including special events, tournaments, non-traditional recreation and partnership programming.
- Continue building on collaborative efforts with agencies, organizations and businesses to further the goals of FMRP of providing a park, facilities and programs for all residents, guests and tourists.
- A regional parks has an economic impact bringing in revenue from sports tournament, vendors, and facility reservations as well as throughout the community's hotel, restaurants, and shopping industry.
- The equipment and capital outlay projects are geared towards the needs of the individual programs and potential of revenue production or increase in net profits from program services.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ 20,678	\$ 217,830	\$ 217,830	
Supplies	32	-	2,621	79,635	79,635	
Purchased Services	19,336	-	10,272	61,739	61,739	
Miscellaneous	20	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	78,444	-	939,861	-	-	
Total	\$ 97,832	\$ -	\$ 973,432	\$ 359,204	\$ 359,204	

* Un-audited numbers

^ Fund created in FY2015

Fund Description

Niche Fund Reserve. Beginning in FY13, all revenue generated from niche or memorial wall sales and services at the Missoula City Cemetery shall be deposited into the Niche Fund Reserve.

Activities & Objectives

The only on-going expense from this fund shall be the cost of inscriptions for all walls. This fund is to remain intact and grow for the future development of new columbarium or cremation walls and repair and maintenance to existing structures.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	1,394	2,500	1,273	2,500	-	0%
Total	\$ 1,394	\$ 2,500	\$ 1,273	\$ 2,500	\$ -	0%

* Un-audited numbers

Fund Description

Care Fund Reserve Beginning in FY13, 10% of all revenue generated from sales and services at the Missoula City Cemetery, shall be deposited into the Care Fund Reserve. Beginning in FY14, 50% of all revenue generated from sales and services at the Missoula City Cemetery shall be deposited into the Care Fund Reserve. The only cemetery revenue exceptions are for niche / memorial wall sales and services which are deposited into the Niche Reserve Fund and memorial monetary donations which are deposited into the Memorial Reserve Fund.

Activities & Objectives

The Care Fund Reserve is intended to be used for the funding of cemetery equipment following the City of Missoula Growth Replacement Schedule and for cemetery facilities and maintenance improvements. All revenues placed into the Care Fund Reserve shall be designated and used for the long-term care of the cemetery until further review between Missoula City Council and Missoula Cemetery Board of Trustees.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	19,545	-	10,000	(9,545)	-49%
Debt Service	-	-	-	-	-	
Capital Outlay	-	153,500	73,251	60,000	(93,500)	-61%
Total	\$ -	\$ 173,045	\$ 73,251	\$ 70,000	\$ (103,045)	-60%

* Un-audited numbers

FY2016 Highlights

- EQUIPMENT PURCHASE:** A 1992 worn out snow plow was replaced with a new Meyer snow plow that fits onto the front of the cemetery one-ton truck for plowing all cemetery streets. Cost in FY2016 from the Cemetery Care Fund was \$5,895.
- ENERGY CONSERVATION PURCHASE:** A 1970 inefficient 60hp turbine well pump that was pumping at approximately 65% capacity was replaced with a new submersible pump, a variable frequency drive and inline filter, and electrical upgrades for energy efficiency. Cost in FY2016 from the Cemetery Care Fund was \$67,906.

Fund Description

Memorial Fund Reserve: All donations received by the Missoula City Cemetery shall be deposited to the Memorial Fund Reserve. A record of designated and undesignated funds is to be maintained by the cemetery office.

Activities & Objectives

The Cemetery Board of Trustees and City Administration allow these funds to fulfill donor's wishes provided the requests fit within the scope of the master plan development for the cemetery.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	189	500	2,998	500	-	0%
Total	\$ 189	\$ 500	\$ 2,998	\$ 500	\$ -	0%

* Un-audited numbers

FY2016 Highlights

- EQUIPMENT PURCHASE:** An ISP 405 Bindery Mate Stitcher with stand was purchased for binding guidebooks for the cemetery's historical tour, Stories and Stones. Cost in FY2016 from the Cemetery Memorial Fund was \$2,877.

Fund Description

The City began receiving revenues in FY86 from projects done in the Central Business District which used the U.S. Department of Housing and Urban Development's Urban Development Action Grants. The revenues will be loan repayments from the Central Square office building and from the Sheraton Hotel project.

All expenditures have to be for eligible projects of the Housing and Community Development Act of 1974 as amended.

Activities & Objectives

The City has been receiving lease payments and loan repayments from the Central Square Office Building since FY86. During FY88, the City reached agreement on a payoff of the Sheraton Hotel promissory note with the existing owners and the new partnership that bought out the old partnership. As part of that agreement, the City received \$600,000 at the closing of the deal as payoff of the promissory note.

In May of 1996, the City passed Resolution #5867 which establishes the funding level and priorities for community based organization grants for the Title I Program Income Fund. The City has established a minimum fund balance of \$500,000 through FY98 or until entitlement status is obtained. At that time, the City agreed to the following: Up to one-half of the Title I funds in excess of a \$500,000 fund balance will be available for internal City projects and up to half of the Title I funds in excess of a \$500,000 fund balance will be available to Community Based Organizations (CBO). Resolution #6538, approved in August, 2002, authorized internal City projects and CBO grants from the Title I Program Income fund in a total amount of approximately \$100,000 per year (beginning in FY04), with the realization that this level of funding may eventually result in the exhaustion of the fund.

Projects identified to date:

1. FY 2017 Contributions administered by GCP – To be determined, based on applications received. Estimated amount available is \$146,925.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	4,985	136,000	5,016	146,924	10,924	8%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 4,985	\$ 136,000	\$ 5,016	\$ 146,924	\$ 10,924	8%

* Un-audited numbers

Fund Description

This program derives its funding from sewer assistance grants that have been repaid to the City of Missoula in addition to a Water Quality District appropriation.

Activities & Objectives

This fund is used to provide sewer connection assistance to limited income persons within Missoula County.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	38,472	14	62,439	23,967	62%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 38,472	\$ 14	\$ 62,439	\$ 23,967	62%

* Un-audited numbers

Fund Description

This program derives its funding from the repayment of loans provided to low- and moderate-income homebuyers for down payment, homebuyer education and closing cost assistance through a grant awarded to the City by the State HOME program.

Activities & Objectives

This fund is used to provide loans provided to low- and moderate-income homebuyers for down payment, homebuyer education and closing cost assistance. The loans are repayable when the assisted household sells the home or no longer uses the home as his/her primary residence.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	600,000	-	600,000	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 600,000	\$ -	\$ 600,000	\$ -	0%

* Un-audited numbers

Fund Description

As part of the inter-local for the new Public Safety Software a special fund was to be created and maintained by the City of Missoula. The Missoula County 911 center, Missoula County Sherriff Office, City of Missoula Police Department, City Fire and Missoula Rural Fire Districts combined, are each required to deposit \$6,000 per year in this fund. This account should be accumulating \$24,000 per year.

Activities & Objectives

This fund will be used to replace hardware as needed but the majority of the money will be used in 2019 to replace all the server hardware for the Public Safety project.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	26,720	-	-	-
Total	\$ -	\$ -	\$ 26,720	\$ -	\$ -	-

* Un-audited numbers

^ Budget was created in FY15

Fund Description

The City of Missoula enacted general impact fees for the first time with the adoption of Ordinance # 3250 on May 10, 2004. This ordinance was slated to go into effect on October 1, 2004.

Activities & Objectives

The purpose and intent of the new ordinance was as follows:

- 1) To establish uniform procedures for the imposition, calculation, collection, expenditure, and administration of development impact fees imposed on new development;
- 2) To assure that new development contributes its fair and proportionate share towards the costs of public facilities reasonably necessitated by such new development;
- 3) To ensure that new development benefits from the provision of the public facilities provided with the proceeds of development impact fees;
- 4) To ensure that impact fees collected pursuant to this Chapter are expended only on public facilities the demand for which is generated by the new development against which the fees are assessed;
- 5) To ensure that impact fees assessed pursuant to this Chapter are proportionate in amount to the degree of impact new development has on public facilities; and
- 6) To ensure that all applicable legal standards and criteria are properly incorporated in these procedures.

The City of Missoula chose not to implement development impact fees at the maximum level identified in the impact fee study conducted by Tischler and Associates.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	9,383	-	12,763	-	-	
Miscellaneous	-	-	30,000	74,000	74,000	
Debt Service	50,179	-	-	-	-	
Capital Outlay	826,233	2,724,500	711,716	2,326,000	(398,500)	-15%
Total	\$ 885,795	\$ 2,724,500	\$ 754,479	\$ 2,400,000	\$ (324,500)	-12%

* Un-audited numbers

Fund Description

This fund is to contract for the construction of the intersection improvements (roundabout) at George Elmer Drive and Cattle Drive. The area developers (44 Ranch and Flynn Ranch) were unable to come to agreement between themselves in order to fulfill both of their respective subdivision conditions.

Activities & Objectives

A funding agreement for design and construction is planned to be executed with the 44 Ranch developer prior to the beginning of FY14. The construction will most likely be completed in phases with phase 1 constructing the center or splitter islands for the pedestrian crossing of George Elmer Drive in construction season 2015 and the phase 2 or remainder of the roundabout with appurtenances construction being planned for construction by 2016. Phase 1 construction is estimated at \$15,000 and phase 2 estimated at \$50,000.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	15,000	-	15,000	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	0%

* Un-audited numbers

Fund Description

The goals of the public art fund are to develop a formal structure through which the creation, development and maintenance of public art may be realized. To further public accessibility to the arts through educational programs, dissemination of information, development of public art projects, development of public art funding sources and by serving an advisory/advocacy role with public art sponsors and media.

Activities & Objectives

On July 1, 2003 the Public Art Ordinance #3221 went into effect. This Ordinance established a mechanism to fund and maintain public art within the City of Missoula. The Mayor has established a Public Art Committee that provides advice and recommendations on public art to the City Council. The Missoula Cultural Council has been tasked with providing administrative oversight of the Public Art Committee. The ordinance established a Percent for Art Program based off of capital expenditures expended by the city. The Percent for Art Program focuses on both the outside and the inside of new and remodeled City owned public spaces. The art may serve a function, express a theme, or commemorate an important person. It may underscore or provide a counterpoint to the architecture and surrounding site. It may serve as a landmark that adds definition to the City of Missoula.

The Public Art Fund receives one and one half percent (1.5%) of eligible construction costs of City capital improvement projects, paid wholly or in part by the City of Missoula to construct or remodel any public or city building, structure, park or any portion thereof, to be allocated for public art. No less than eighty percent (80%) of one percent (1%) of this allocation will be used for on-site artwork; up to twenty percent (20%) of this one percent (1%) may be used for program administration necessary to carry out the provisions of this chapter. A half percent (0.5%) of this allocation will be deposited in a public art trust fund used to provide maintenance for existing artworks. If the public art trust fund exceeds \$200,000, the Public Art Committee has the discretion to put the half percent (0.5%) toward artwork. When the eligible construction costs of a City capital improvement project are less than \$100,000, the Public Art Committee has discretion to determine that a particular piece of on-site art is not required and may designate one hundred percent (100%) of the one and one half percent (1.5%) allocation for art to be deposited in a public art trust fund for maintenance of artworks and/or to fund additional projects.

The following are considered exemptions from the Percent for Art Program:

- a) Projects for water, storm-water or wastewater facility, except for office buildings;
- b) Street construction and repair, inclusive of the public right of way improvements, such as curb, sidewalk and traffic control facilities and landscaping; and maintenance projects.

These exemptions do not preclude the department from proposing and including funding for art in any of their projects. City departments are encouraged to include art to some degree in any of these exempted categories.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	2,342	7,350	6,695	26,320	18,970	258%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	40,703	5,615	20,400		(5,615)	-100%
Total	\$ 43,045	\$ 12,965	\$ 27,095	\$ 26,320	\$ 13,355	103%

* Un-audited numbers

Restricted Funds for future projects:

- Art Placard to be placed on un-named art projects – Activity budget equals: **\$ 3,000**

Fund Description

The City has the authority to levy a special levy in addition to the All Purpose Levy for the costs of an employee health insurance plan. The City's health insurance plan is a self-insurance with the City paying claims costs up to a certain level. This fund received the tax revenues from the levy and transfers the funds to the general fund to offset the cost of health insurance.

Activities & Objectives

Currently, the City of Missoula levies the dollar amount set by the caps, which is set at 0.04 mills. Additional dollars and mills are levied permissively under the 2372 Permissive Medical Levy Fund.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	1,325,148	4,462	4,462	4,525	63	1%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,325,148	\$ 4,462	\$ 4,462	\$ 4,525	\$ 63	1%

* Un-audited numbers

Fund Description

The City has the authority to levy a special levy in addition to the All Purpose Levy for the costs of an employee health insurance plan. The City's health insurance plan is a self-insurance with the City paying claims costs up to a certain level. This fund received the tax revenues from the levy and transfers the funds to the general fund to offset the cost of health insurance.

Activities & Objectives

The levy in FY17 is 42.2 mills which is an increase of 6.86% when compared with the FY16 levy of 39.49 mills.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	2,971,528	4,405,445	4,405,446	4,774,150	368,705	8%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 2,971,528	\$ 4,405,445	\$ 4,405,446	\$ 4,774,150	\$ 368,705	8%

* Un-audited numbers

Fund Description

The City adopted a 15 year non-exclusive franchise ordinance, Ordinance #3237, beginning on December 1, 2003 with Bresnan Communications covering the cable system in the Missoula Valley. Bresnan Communications sold to Cable Vision and Cable Vision was sold to Charter in the spring of 2013. The City will receive 5% of the gross revenues of Charter Communications plus twenty nine cents per month per customer for capital equipment replacement.

Activities & Objectives

\$736,000 of franchise fees from Charter are projected and budgeted. The decrease in Charter's remittances in the past was related primarily to market decreases. The FY17 budget assumes little to no growth.

Pursuant to a contract pending with the City, Missoula Community Access Television (MCAT) is budgeted to receive \$499,855 in FY 17.

		FY 2017	FY 2016
350 Account	Cable TV Negotiator/SIRE Maintenance	\$70,288	\$5,000
370 Account	Travel to training workshops	1,000	1,000
380 Account	Training on new regulations	1,000	1,000
390 Account			
500 Account			
700 Account	MCAT Operations Contribution	440,000	440,000
820 Account	Transfer to General Fund	251,433	251,433
840 Account	Contingency – decided by Council	0	0
940 Account	Capital-Replacement & Second Channel	<u>37,567</u>	<u>37,567</u>
	Total	\$ 801,288	\$ 736,000

OBJECTIVES:

1. Monitor and take appropriate actions to implement any legislative changes to cable television regulations

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	2,472	7,000	13,102	72,288	65,288	933%
Miscellaneous	712,454	691,433	727,169	691,433	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	45,162	37,567	37,246	37,567	-	0%
Total	\$ 760,088	\$ 736,000	\$ 777,517	\$ 801,288	\$ 65,288	9%

* Un-audited numbers

Fund Description

Pursuant to Section 44-12-206 Montana Codes Annotated the City is entitled to receive property, money from sales of seized property, cash payments resulting from Justice of the Peace verdicts, and seized cash from drug related crimes provided that it has a Drug Forfeiture Fund. Money received in this fund has to be spent on drug related expenditures.

Activities & Objectives

1. To support enforcement of drug laws within the Missoula community as well as providing drug-related training to department personnel.
2. Possible Equipment and Capital purchase could include:

Supplies		\$ 6,500
Purchased Services		\$ 5,300
Miscellaneous		\$1,000
Capital Outlay		\$ 5,000
Total		\$17,800

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	19,159	6,500	12,405	6,500	-	0%
Purchased Services	(278)	8,300	7,984	5,300	(3,000)	-36%
Miscellaneous	-	1,000	-	1,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	12,000	-	5,000	(7,000)	-58%
Total	\$ 18,881	\$ 27,800	\$ 20,390	\$ 17,800	\$ (10,000)	-36%

* Un-audited numbers

Fund Description

This fund is to aid qualified landlords for rehabilitation work, in an effort to improve the rental housing stock in Missoula. In addition, this fund will be used to assist low to moderate income individuals.

Activities & Objectives

The program income appropriations will be used to provide assistance to low and moderate income persons under the State of Montana CDBG Program Income Guidelines.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	250	-	2,105	1,855	742%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 250	\$ -	\$ 2,105	\$ 1,855	742%

* Un-audited numbers

Fund Description

The City, through the Uniform Building Code (UBC) has the authority to levy a special assessment on property where a building on the property has been declared a danger in need of abatement. The UBC requires that a separate fund be established to account for the costs of steps taken to abate a danger or demolish a building. The City Council may then levy a special assessment upon this property to recover its costs. This fund receives advances from the general fund to do the demolition, collects the lien assessment, and returns the money back to the general fund after collection of the assessment.

Activities & Objectives

\$15,000 is appropriated in possible abatements. Advances come from the general fund and after collection of assessments, the money will be returned to the general fund.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	15,000	-	15,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	0%

* Un-audited numbers

Fund Description

The purpose of this fund is to pay 90% of the utility bills for the City's street lighting districts. The City assesses itself for 10% of this utility cost to handle the additional lighting needed at intersections.

Activities & Objectives

Property owners in the City's street lighting districts are assessed each year for the cost of the utility bills for operating the lights in the districts.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	339,674	355,916	351,626	317,276	(38,640)	-11%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 339,674	\$ 355,916	\$ 351,626	\$ 317,276	\$ (38,640)	-11%

* Un-audited numbers

Fund Description

The purpose of this fund is to pay for the services associated with the maintenance and care of Street Maintenance District #1. These services include weekly flushing of the streets and pickup of street rubbish from containers within the right-of-way

Activities & Objectives

The costs associated with this district are actually expended out of the General Fund. Annually the assessments collected by this fund are transferred into the General Fund to offset those costs.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	20,141	32,014	20,745	21,580	(10,434)	-33%
Miscellaneous	27,281	27,281	27,281	41,200	13,919	51%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 47,422	\$ 59,295	\$ 48,026	\$ 62,780	\$ 3,485	6%

* Un-audited numbers

Program Description – Work-plan

This program encompasses a City-wide road district entitled “CITY OF MISSOULA ROAD DISTRICT NUMBER 1” designed to maintain the current level of service as provided to all city residents. The assessment is used for the purpose of funding the purchase of materials necessary for ongoing maintenance, repair, improvement, construction, and reconstruction of city streets, alleys, parking lots, storm water facilities, and other public facilities located in the public right-of-way and/or within public easements.

The assessment funds a portion (\$245,558) of the materials necessary to implement the City’s year-round street maintenance operations and transportation related Capital Improvements Program, specifically CIP S-10 Street Improvements Major Maintenance. The street improvements CIP encompass a combination of: 1) Reconstruction of completely deteriorated streets; 2) Overlays on the streets showing the most duress; and 3) Chip sealing to prolong the life of the streets that have only moderate deterioration.

The assessment also funds a portion (\$60,000) of the cost of sidewalk improvements on city streets, specifically assistance for residential owner occupied property for a portion of the costs of installing American with Disabilities Act (ADA) compliant curb ramps. In addition this assessment also funds a portion (\$465,480) of CIP S-11 Annual Sidewalk Installation Replacement Program. This program systematically replaces hazardous and deteriorated sidewalks and installs curb ramps throughout the existing sidewalk system of Missoula, and installs new curbs and sidewalks where there are none.

**City Strategic Plan &
Department’s Implementation Strategy**

Goal # 1 Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - The City-wide road district funds a portion of the materials budget to maintain the current level of service as provided to all city residents.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - The road district provides financial assistance to property owners for ADA curb ramps as an additional financial resource to reduce sidewalk installation assessment costs. Staff will develop and implement guidelines for using this additional money to assist property owners.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ (767)	\$ 159,787	\$ 13,000	\$ 179,887	\$ 20,100	13%
Supplies	167,828	196,030	215,473	193,861	(2,169)	-1%
Purchased Services	1,260	99,300	44,508	41,300	(58,000)	-58%
Miscellaneous	596,627	322,496	670,394	503,256	180,760	56%
Debt Service	517,461	467,005	456,794	619,206	152,201	33%
Capital Outlay	675,988	478,000	524,369	555,480	77,480	16%
Total	\$ 1,958,396	\$ 1,722,618	\$ 1,924,537	\$ 2,092,990	\$ 370,372	22%

* Un-audited numbers

2017 Budget Highlights

New requests:

- **South Ave Row & Judgement repayment: Budget equals: \$91,949:** This is for the acquisition of the remaining Right of Way from the South Ave expansion project and includes a three year payback for the judgement against the City.
- **Downtown Signal Upgrade: Budget equals: \$60,000:** This is for powder coating light poles to be placed by MDT for the intersection improvements at eight intersections in downtown Missoula. This powder coating will make the new light poles look similar to the light poles on N Higgins Ave.
- **Caras Park Outfall Stormwater Treatment Retrofit: Budget Equals: \$20,000:** This is the Road District 1 commitment to fund the Caras Park Outfall Stormwater project.
- **Construction Project Assessment Program: Budget Equals: \$51,755:** This is the five year debt payment for the creation of a Construction Project Assessment Program to assist the project engineers with developing and assessing more projects in the sidewalk installation & repair/replace program.

Program Description – Work plan

This program encompasses a city-wide park district entitled “CITY OF MISSOULA PARK DISTRICT NUMBER 1” designed to maintain the base level of service (FY09) provided to all city residents. An annual assessment will be established for the purpose of funding and/or financing costs associated with providing services including but not limited to: (1) Maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of land and/or (2) Implementation of measures required to maintain public health safety or meet legal or regulatory requirements, and/or (3) Purchasing, replacing and/or maintaining equipment, tools or vehicles used to carry out the functions described herein, and/or (4) Any other functions, labor, supplies and/or materials necessary for management and maintenance of City-owned facilities, lands and equipment under the responsibility and care of the City of Missoula Parks and Recreation Department including but not limited to: Public Parks and Park areas (as described in the master Parks and Recreation plan for the greater Missoula area, Recreation facilities, trails, open space (as defined by the City of Missoula Urban Area Open Space Plan), urban forest, medians, boulevards, pathways, sidewalks, public easements and other facilities located in the City and/or owned by the City; and providing for other matters properly relating thereto.

City Strategic Plan & Department's Implementation Strategy

Missoula Parks and Recreations' guiding Mission is to enhance the quality of life in our community by: Promoting Health and Wellness, Protecting the Environment; Educating and Enhancing the lives of Citizens through-out our Community by providing and maintaining diverse, accessible, and scenic parks, open spaces, and trails and numerous recreational opportunities.

Goal #2: Harmonious Natural and Built Environment

Through implementation of approved community plans such as the Master Park Plan, Transportation and NMT Plans, and Open Space Plans, plus best practice in design, Parks and Recreation will meet the needs and demands of citizens for alternative transportation, clean air, clean water, and environmental stewardship.

1. Strategy: implementation of approved community plans:
 - Park Asset Management Plan
 - Turf Management Plan
 - Urban Forestry Management Plan
 - ROW Design standards – medians, boulevards, trees
2. Strategy: reflect values of sustaining and improving our conservation lands within and on the edge of the urban area for the benefit of citizens and wildlife.
 - Develop management plan for:
 - Clark Fork River management plan for recreation – Hellgate Canyon to Russell Street
3. Strategy: reflect values of sustainability in transportation and building design
 - Emphasize bike and pedestrian connectivity to increase mode shift
 - Incorporating LEED® principals in design of Fort Missoula Regional Park project
4. Strategy: enhance the quality of our green infrastructure

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 77,077	\$ 224,685	\$ 190,958	\$ 316,839	\$ 92,154	41%
Supplies	167,963	174,527	201,226	185,720	11,193	6%
Purchased Services	265,007	355,856	353,210	268,117	(87,739)	-25%
Miscellaneous	-	-	-	168,214	168,214	
Debt Service	196,158	222,532	210,605	301,546	79,014	36%
Capital Outlay	57,834	137,720	93,020	72,265	(65,455)	-48%
Total	\$ 764,039	\$ 1,115,320	\$ 1,049,018	\$ 1,312,701	\$ 197,381	18%

* Un-audited numbers

FY 2017 Budget Highlights

The approved increase in Park District 1 funding for FY17 will provide for improvement in core parks and greenways and maintenance services particularly where those services were reduced in past years. Priorities include but are not limited to:

Conservation Lands Management - Funding for Trails/Trailhead

- Allow for proactive trail and trailhead design, improvements, trail re-routes and long-term cyclical maintenance. Ensure trailheads are maintained at an acceptable level to ensure public safety, security and are consistent with adopted City laws. In 2014, citizens ranked “trail maintenance” as the number one recreational management priority on conservation lands. In 2015, CLM crews mapped 53.6 mi. of designated trails (18% growth since 2008), 19.8 mi. of user created trails (100% growth since 2008) and documented 351 individual problems on CL trails. This program easily has a 10 year backlog of trail maintenance & reroutes. Investing in our trails and trailheads now will ensure responsible recreation management as Missoula’s population grows

Park Maintenance

- Focus on deferred turf care, proper irrigation, fertilization, aeration, weed control and top dressing of the Parks system turf areas. Areas which were cut to reallocate available funds to fuel & utilities or to adjust for reduced budget.
- Routine maintenance of playgrounds, asphalt, park infrastructure to ensure safety and proper upkeep of the systems assets. • Provide alternate restroom facilities in areas lacking and or to extend the facility's seasons.
- Fertilization, aeration and weed treatment of sports and general turf areas throughout the system with emphasis on Caras Park, Playfair Park, and McCormick Park and other sports fields.
- Install mulching kits on remaining mowing equipment for more sustainable turf health and quality, weed control, and water conservation.
- Playground maintenance, especially fall zone upkeep, at Pineview, Bonner, Maloney, Franklin, Lafray, Rose Memorial, Westside, McLeod and McCormick parks.
- Various irrigation system maintenance repairs including identified challenges at Nicole, Garland, and Sacajawea parks.
- Fence repairs at sports ball field complexes.
- Repainting of basketball and tennis court lines at various sites, funds permitting.

Urban Forestry, Greenways & Horticulture

These funds will be utilized to perform maintenance on right of ways, medians and trails which have not been funded in previous years.

- Turf cares, plant bed vegetation, weed control and general upkeep of areas has been from funds tapped from other programs. Funds are needed to ensure maintenance resources are adequate to revitalize and sustain these existing community assets.
- Increased frequency of maintenance for landscaped rights-of-way to better keep up with weed growth, with an emphasis on Reserve Street Medians, Higgins Street Roundabout, and 39th Street medians. Pothole and minor pavement repairs and maintenance for asphalt commuter trails.
- Based upon the recent tree census, there are over 24,400 street and park trees to maintain. An estimated 5,000 additional trees will be added to the inventory of city owned trees as additional inventory work is done. This additional staffing will be used to implement Phase 1 of the urban forest management plan. Two tree maintenance crews will allow removals to continue, while implementing programs such as street chip seal, and sign and signal clearance pruning programs to be completed by urban forestry staff. This schedule will provide at least three (3) forestry staff on a year-round basis.

Parks Asset Management Program

- Repair of damaged trails, damaged or vandalized playground, and/or the repair of shelters allows the Department to mitigate potential safety and liability concerns.
- Implementation Plan for Cyclical Maintenance of Infrastructure -Funds will be utilized in the development of a long-range plan to address developed park infrastructure and amenities that require major work or replacement due to: Public safety concerns, age, condition, code compliance, and to sustainably manage park maintenance costs.

A number of parks, trails, conservation lands, and ROW improvements have been added making the added park district funding critically important to maintaining a system that contributes significantly to Missoula resident's quality of life, as well as our community's economic and environmental sustainability.

Program Description - (2820)

This fund is set up to receive and distribute gasoline tax revenues from the State. Pursuant to M.C.A. § 15-70-202, expenditures from this fund are restricted to labor and materials for street improvements and cannot be used for equipment purchases.

Activities and Objectives

Direct Expenditures for FY 2017:

Asphalt for street paving	105,000	Account 930
Chip seal emulsified asphalt and distribution	130,000	Account 930
Sand (winter street sanding)	21,200	Account 930
Chip seal aggregate	<u>135,000</u>	Account 930
Total Direct Expenditures:	\$391,200	

Interfund transfers for FY 2017:

Transfer to 1000.320 fund for labor costs	<u>\$564,000</u>	Account 820
Total Interfund Transfers:	\$ 564,000	

TOTAL FUND EXPENDITURES: 955,200

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	564,020	564,000	564,000	564,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	348,117	373,100	322,111	391,200	18,100	5%
Total	\$ 912,136	\$ 937,100	\$ 886,111	\$ 955,200	\$ 18,100	2%

* Un-audited numbers

Fund Description

Department of Justice, Bureau of Justice Assistance Edward Byrne Memorial Grants is awarded annually to the City of Missoula.

 Activities & Objectives
Department of Justice Edward Byrne Memorial JAG Grant XIII – Anticipated budget equals \$60,373

The Justice Assistance Grants are the newest grant and will provide a half-time property clerk and other programs for the Missoula County Sheriff Department as well as provide funding numerous programs within the City of Missoula Police Department. The City of Missoula will reimburse the County of Missoula for their expenses as outlined in the grant award document.

The Edward Byrne Memorial Discretionary Grants Program furthers the Department's mission by assisting state and local jurisdictions in improving the criminal justice system and assisting communities in preventing drug abuse and crime.

COPS Hiring 2014 – Activity Budget equals \$40,000

The "COPS Hiring Program" (CHP2014) provides funding directly to law enforcement agencies to hire and/or rehire career law enforcement officers in an effort to create and preserve jobs, and to increase their community policing capacity and crime prevention efforts.

 FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 69,133	\$ 42,000	\$ -	\$ 40,000	\$ (2,000)	-5%
Supplies	19,670	-	165	43,124	43,124	
Purchased Services	26,055	-	16,850	-	-	
Miscellaneous	8	24,590	-	17,249	(7,341)	-30%
Debt Service	-	-	-	-	-	
Capital Outlay	13,795	-	53,830	-	-	
Total	\$ 128,662	\$ 66,590	\$ 70,846	\$ 100,373	\$ 33,783	51%

* Un-audited numbers

Fund Description

The City of Missoula is the fiscal agent for a Federal, State, County and Municipal task force called the High Intensity Drug Trafficking Area Task Force. The 2019 fund is set up for forfeiture of assets and is a shared account pro-rated to Missoula County Attorney and Sheriff, City of Missoula and the HIDTA Task Force operations account.

Expenditure of these forfeiture funds is controlled by state and federal statutes restricting expenditures to drug-related investigations and training. Expenditures include lease expenses, equipment, training and supplies to support local drug task force office, grants to local substance abuse prevention programs as well as District Court Youth Drug Court.

Activities & Objectives

HIDTA Forfeiture Fund – Activity budget equals **\$140,600**

TOTAL FUND EXPENDITURES EQUALS \$ 140,600

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ 16,350	\$ -	\$ 16,350	\$ -	0%
Supplies	14,361	1,000	18,915	1,000	-	0%
Purchased Services	3,563	13,250	4,615	13,250	-	0%
Miscellaneous	80,825	111,700	51,101	110,000	(1,700)	-2%
Debt Service	-	-	-	-	-	-
Capital Outlay	-	50,000	8,918	-	(50,000)	-100%
Total	\$ 98,749	\$ 192,300	\$ 83,550	\$ 140,600	\$ (51,700)	-27%

* Un-audited numbers

Fund Description

The purpose of the Community Development Block Grant (CDBG) Program Income account is to receive re-payment from CDBG-Entitlement assisted projects, and then use the funds collected to assist additional CDBG-eligible activities.

Activities & Objectives

Each year, the City of Missoula awards CDBG funding to community development projects. Program Income funds will be used to support one of the CDBG-eligible projects selected for funding as part of this process.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	14,383	-	14,383	-	0%
Miscellaneous	14,383	-	19,239	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 14,383	\$ 14,383	\$ 19,239	\$ 14,383	\$ -	0%

* Un-audited numbers

Fund Description

The purpose of the Community Development Block Grant Fund is to handle transactions related to Community Development Block Grants that are awarded to the City.

Activities & Objectives

2016 Grants and Community Programs Admin Fees – Activity budget equals **\$112,504**
Grant support of administration fees.

Projects – Projects to be determined budget equals **\$577,639**

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	122,490	106,591	128,536	112,504	5,913	6%
Miscellaneous	397,275	457,664	501,090	577,639	119,975	26%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 519,765	\$ 564,255	\$ 629,626	\$ 690,143	\$ 125,888	22%

* Un-audited numbers

Fund Description

The purpose of the Home Investment Partnership Program Fund is to handle transactions related to expanding the supply of decent, safe, sanitary and affordable housing for low-income households.

 Activities & Objectives

GCP Admin Fees – Activity budget equals **\$57,448**

Grant support of administration fees.

Projects – Projects to be determined budget equals **\$437,800**

 FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	59,305	57,921	78,635	57,448	(473)	-1%
Miscellaneous	734,450	335,666	204,593	437,800	102,134	30%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 793,754	\$ 393,587	\$ 283,228	\$ 495,248	\$ 101,661	26%

* Un-audited numbers

Fund Description

This program derives its funding from the repayment of loans provided to low- and moderate-income homebuyers for down payment, homebuyer education *and* closing cost assistance, as well as repayment of loans and the interest on those loans to organizations providing housing through funds provided by the City's HOME program.

Activities & Objectives

This fund is used to provide funds for any housing activities allowed by the federal HOME program, including but not limited to acquisition, construction or rehabilitation of housing, down payment assistance and other related costs or tenant-based rental assistance.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	31,549	31,500	-	25,000	(6,500)	-21%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 31,549	\$ 31,500	\$ -	\$ 25,000	\$ (6,500)	-21%

* Un-audited numbers

Fund Description

Every six years, the United States Congress considers a transportation funding bill. This fund was created to accept Federal CMAQ, STPU, and CTEP grant funds set aside for the City of Missoula along with any matching money from other City Funds. These funds are expended for projects identified by the City's Capital Improvement Program (CIP) and approved by the State.

Activities & Objectives

Missoula Active Transportation Plan – Activity budget equals \$0 in FY 2017

Create, expand and enhance trails along Milwaukee Railroad, Bitterroot Branch Trail (BBT) and the Clark Fork River corridors. Corridor acquisition is the #1 priority of the adopted 2001 Non-motorized Plan. This project enables a coordinated effort to acquire access to land, through purchases or easements. Development of selected areas would follow acquisition. No funding for projects at this time.

Kim Williams – Bicycle Commuter Network – Activity budget equals \$371,738

The existing Kim Williams Trail is a Missoula icon that connects the University district to the natural resources and trails in Hellgate Canyon. It is currently the eastern most leg of the City's main east-west Primary Commuter Trail and will become a vital link for non-motorized transportation for residents of current or future subdivisions planned in the Deer Creek Road area. Acquisition of trail right-of-way on MRL property has been secured. This acquisition will allow for the expansion of the trail between its current eastern terminus and the existing public trail at Canyon River Golf Course – a significant connection. An encroachment permit on MDT right-of-way has been acquired. This project will complete the acquisition and design processes and construct the trail.

CTEP is the major funding source for this project. Funds have been dedicated to this project in prior years.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 4,608	\$ -	\$ 731	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	227	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	1,117,315	762,189	229,420	371,738	(390,451)	-51%
Total	\$ 1,122,150	\$ 762,189	\$ 230,151	\$ 371,738	\$ (390,451)	-51%

* Un-audited numbers

Fund Description

This fund exists to receive and expend a variety of grant and donation funds.

Activities & Objectives

Miscellaneous Grants and Donations - Activity budget equals **\$ 20,000**

The \$ 20,000 is for an appropriation and spending authority for any donations that the City receives.

Miscellaneous Fire Donations – Activity budget equals **\$ 260****Fire Explorers Program** - Activity budget equals **\$1,650**

The Fire Explorer Program, in conjunction with the Boy Scouts of America, offers young adults real life experiences, training and exposure to the career opportunities available in the fire service.

Fort Missoula Roads - Activity budget equals **\$24,822**

As a condition of accepting responsibility for maintaining the infrastructure at Fort Missoula, the U.S. Army provided the City with these funds to improve the condition of the roads at Fort Missoula.

Brownfield's Assessment Grant – Activity budget equals **\$378,075**

This Environmental Protection Agency grant enables the City to conduct assessments of potential Brownfields sites for eligible owners within the City of Missoula.

Brownfield's Cleanup RLF - Activity budget equals **\$509,603**

This Environmental Protection Agency grant enables the City to make cleanup loans and a limited number of cleanup grants to eligible owners of Brownfield sites within the City of Missoula.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted ^FY2017	Increase (Decrease)	Percent Change
Personal Services	\$ 231,132	\$ 144,708	\$ 190,948	\$ -	\$ (144,708)	-100%
Supplies	30,434	77,824	26,104	-	(77,824)	-100%
Purchased Services	57,129	121,619	71,678	-	(121,619)	-100%
Miscellaneous	174,539	1,116,036	363,774	909,588	(206,448)	-18%
Debt Service	-	-	-	-	-	
Capital Outlay	-	1,028,752	379,311	24,822	(1,003,930)	-98%
Total	\$ 493,235	\$ 2,488,939	\$ 1,031,815	\$ 934,410	\$ (1,554,529)	-62%

* Un-audited numbers

^ Split Police Grants into Fund 2989 in FY2017

Fund Description

This fund exists to receive and expend a variety of grant and donation funds.

Activities & Objectives

Miscellaneous Grants & Donations – Activity budget equals \$20,000

Anti-Graffiti – Activity budget equals \$5,000

Funds provided by grants and donations provided to Missoula Police Department enable the volunteer program to purchase supplies needed to paint over graffiti.

BIAS Crime Campaign – Activity budget equals \$10,903

The Missoula Police Department and Communications Office formed partnerships with community organizations and businesses on a public campaign to encourage people who believe they are victims of crimes based in bias and discrimination to report those crimes. The first phase focused on sexual orientation. Subsequent phases of the campaign will focus on other minorities.

ICAC Grant- Activity budget equals \$ 105,411

Internet Crimes against Children (ICAC) provides funding to help local law enforcement agencies enhance their investigative response to offenders who use the Internet, online communication systems, or other computer technology to sexually exploit children.

Bulletproof Vest Grant - Activity budget equals \$ 10,500

This program provides for a fifty (50%) percent reimbursement of bullet proof vests for law enforcement officers through the Bulletproof Vest Grant Partnership Program.

County DUI Task Force Grant – Activity budget equals \$5,000

Funds provided by the Missoula County DUI Task Force enable officers to work overtime shifts in the enforcement of impaired driving laws. Funds also provide equipment and training to enhance the department’s ability to enforce impaired driving laws.

Traffic Safety Grants (Seat Belts and Capital Outlay) - Activity budget equals \$53,600

The City has applied to receive a grant from the State of Montana to purchase equipment. The City has applied for a traffic safety grant to enforce seatbelt safety. This will also be used to cover overtime costs for seatbelt enforcement as well as fuel for vehicles.

Drug Task Force Grant (HIDTA) - Activity budget equals \$279,242

The City of Missoula is the fiscal agent for a Federal, State, County and Municipal task force called the High Intensity Drug Trafficking Area Task Force. This task force has been in existence since FY’03.

State – Equipment Grant – Activity budget equals \$44,100

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual ^FY2015	Amended ^FY2016	2/29/2016		Proposed FY 2017	Increase (Decrease)	Percent Change
			Actual FY 2016*				
Personal Services			\$ -	\$ -	212,971	\$ 212,971	
Supplies			-	-	108,026	108,026	
Purchased Services			-	-	109,941	109,941	
Miscellaneous			-	-	102,818	102,818	
Debt Service			-	-	-	-	
Capital Outlay			-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	533,756	\$ 533,756	

* Un-audited numbers

^ New fund created for FY17

Fund Description

The City Planning section manages Growth Policy requirements and legislative initiatives of the City Council and Administration as they relate to that policy. The section facilitates a long-range vision for the community that is implemented through adopted plans, policies, code, the historic preservation program and partnerships.

Activities & Objectives

Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
 - Enhance the methods of communication to improve the citizen's understanding of development and planning issues especially through internet information and UFDA yearbooks
 - Participate in workshops and planning process aimed at community development and design excellence
 - Continue to maintain and update the City zoning code and subdivision regulations.
 - Provide assistance to area neighborhoods as needed;
 - Provide oversight regarding the historic preservation ordinance, assistance with historic resources and coordinate with the Historic Preservation Commission
- Strategy: We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.
 - Explore partnerships with other organizations to gather information and provide recommendations about key community elements such as housing and community design.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
 - Focus on sustainability through implementing actions from the growth policy including exploring node development potential; participating in other organization efforts to address climate change; participating in the development of climate change metrics that inform development pending a successful grant application
 - Assist with sub-area planning efforts.

Goal #3: Quality of Life for all Citizens

- Strategy: We will work to provide affordable housing for the work force of Missoula.
 - Coordinate with administrative housing initiative
 - Help to analyze needs and propose land use and zoning tools that enhance opportunities for affordable housing.
 - Address new opportunities for residential development within land use nodes.
- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.
 - Enhance coordination between transportation and planning will be reflected in future community planning processes including the Long Range Transportation Plan Update, efforts to develop coordinated planning along Brooks Street and through design excellence guidelines.
 - Pursue new partnership with health interests to address health equity for low and moderate income households, pending a successful grant application.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 371,259	\$ 346,484	\$ 341,907	\$ 350,480	\$ 3,996	1%
Supplies	3,784	3,850	2,905	3,850	-	0%
Purchased Services	77,753	78,300	16,586	80,310	2,010	3%
Miscellaneous	24,174	24,000	24,720	24,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 476,970	\$ 452,634	\$ 386,118	\$ 458,640	\$ 6,006	1%

* Un-audited numbers

^ Budget was created in FY15

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY2017
PLANNING MANAGER	-	1.00	1.00	1.00
HISTORIC PRESERVATION OFFICER	-	1.00	1.00	1.00
PLANNER II	-	0.50	0.50	0.50
GIS/PLANNER II	-	1.00	1.00	1.00
SENIOR PLANNER	-	1.00	1.00	1.00
Total	-	4.50	4.50	4.50

In previous fiscal years, these positions were funded in 1000.250 Development Services

2017 Budget Highlights

Grant Program:

The Historic Preservation Program is incorporated into the Planning section budget and the program expects continued “certified local government” funding through the State Historic Preservation Office to support implementation of the National Historic Preservation Act including outreach efforts, staffing of the Historic Preservation Commission and development of a comprehensive preservation plan. The funding cycle is from April 1 through March 31.

Budget Changes:

In FY14, the funding code for planning was 1000.250.411030, and in FY15/FY16 the code is 2250.250.411030. This budget also established fixed charges for use of other City Services.

Performance Measures

Performance Measures

Measure	Actual FY2014	Actual FY2015	Actual FY2016	Adopted FY2017
1 . City Planning Division maintenance of Zoning code and Subdivision regulations	100%	100%	100%	100%
2 . City Planning Division provides annual comprehensive tracking of community services and natural resource impacts along with new development patterns.	100%	100%	100%	100%

Workload Indicators

Indicator	Actual FY2014	Actual FY2015	Actual FY2016	Adopted FY2017
1 City Title Amendment Packages *This does not account for the number and complexity of amendments for each package.			6	5
2 Mapping			44	50
3 Planning Education/Outreach Activities			15	22
4 Planning Board Meetings			8	8
5 Historic Preservation Permits			3	5
6 Staffing at Historic Preservation Commission Meetings			16	12
7 Historic Preservation Education/Outreach activities			3	5

Program Description

The Building Inspection Division of the Development Services Department is certified by the State for the purpose of administering and enforcing building regulations in the City of Missoula. The regulations used are the codes which are adopted by the State Department of Commerce and the Missoula City Council.

**City Strategic Plan &
Department's Implementation Strategy**

Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
 - Continue implementation of web-based Accela Automation permitting system to increase convenience and accessibility to customers.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - Annually perform fiscal balance review to ensure sustainability of revenue.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 811,045	\$ 863,267	\$ 909,399	963,050	\$ 99,783	12%
Supplies	32,707	22,675	31,762	22,675	\$ -	0%
Purchased Services	75,023	83,752	111,769	83,751	\$ (1)	0%
Miscellaneous	270,443	325,710	340,629	379,260	\$ 53,550	16%
Debt Service	-	-	-	-	\$ -	
Capital Outlay	20,219	-	-	-	\$ -	
Total	\$ 1,209,437	\$ 1,295,404	\$ 1,393,559	\$ 1,448,736	\$ 153,332	12%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY2017
DIRECTOR OF DEVELOPMENT SERVICES	0.18	0.20	0.20	0.18
ASSIST. DIRECTOR/BUILDING OFFICIAL	0.91	0.90	0.90	0.90
SENIOR CONSTRUCTION PLANS EXAMINER	1.00	1.00	1.00	1.00
CONSTRUCTION PLANS EXAMINER	0.50	0.50	1.00	1.00
COMBO/ELECTRICAL INSPECTOR	1.00	1.00	1.00	1.00
COMBO/PLUMBING INSPECTOR	1.00	1.00	1.00	1.00
COMBO/BUILDING INSPECTOR	1.00	1.00	1.00	1.00
SENIOR COMBO/MECHANICAL INSPECTOR	1.00	1.00	1.00	1.00
SENIOR COMBO/BUILDING INSPECTOR	1.00	1.00	1.00	1.00
OFFICE MANAGER	-	-	-	-
SENIOR BUILDING PERMIT SPECIALIST	-	-	-	-
PERMIT COORDINATOR SUPERVISOR	0.71	0.70	0.70	0.70
PERMIT COORDINATOR I	0.66	0.60	0.70	-
PERMIT COORDINATOR II	1.32	1.20	1.40	2.10
ADMIN SRV S MGR/PROJECT CORDINATOR	0.22	0.20	0.20	0.10
ADMIN SECRETARY	0.39	0.80	0.90	0.90
SECRETARY	0.10	-	-	-
Total	10.99	11.10	12.00	11.88

2017 Budget Highlights

New Operating Requests Funded:

- New request to increase professional services budget to allow staff to continue working with IK Consulting to tailor the Accela Automation software for our use. We have used them for the last two years and it has been a very quick and cost-effective way of making minor system changes. We expect this will be a continuing expense until we have Accela fine-tuned.
 - Total request of \$9,300
-

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2014	Actual FY 2015	Adopted FY 2016	Adopted FY 2017
1 . Respond to all construction inspection requests (building, electrical, mechanical and plumbing) w ithin one w orking day .	100%	100%	100%	100%
2 . Make inspections to ensure code compliance with approved plans and the requirements of the appropriate code.	100%	100%	100%	100%

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Number of building permits issued	1,319	1,427	1,515	1,600
2 . Review residential plans w ithin tw o w eeks	95.0%	99.0%	99.0%	99.0%
3 . Review multi-family, commercial & instustrial w ithin three weeks	96.0%	99.0%	99.0%	99.0%
4 . Number of plans w ithdraw n	19	16	11	16

Program Description

This Transportation Planning Division provides transportation planning and Transportation Demand Management services within three key areas and through various funding sources:

- Missoula Metropolitan Planning Organization (MPO) – The MPO is funded through Federal transportation planning funds (PL funds) and Federal Transit Authority funds (5303 funds) and performs transportation planning for the Missoula region, including the urbanized areas of the City and County of Missoula. Each year, the MPO staff manages and administers grant funds; completes the annual Unified Planning Work Program and Transportation Improvement Program; supports the ongoing functions of the Transportation Policy Coordinating Committee and the Transportation Technical Advisory Committee; and coordinates with other agencies and organizations to support transportation planning efforts in the urbanized area. The MPO will be focusing on the completion of the 2016 Long-Range Transportation Planning this fiscal year.
- Missoula In Motion (MIM) – MIM is funded primarily through federal Congestion Mitigation and Air Quality (CMAQ) funds, with matching funds provided by local partners including the City General Fund and Missoula County. Each year, the staff manages and administers CMAQ grant funds; implements and supports a variety of projects and programs, including Sunday Streets Missoula, Bike Walk Bus Week, Momentum, and Way to Go Club; develops and deploys education and encouragement materials regarding sustainable transportation options; and collaborates with other Transportation Demand Management providers to advance initiatives and programs. MIM anticipates advancing the WTG! Club with modern trip planning and tracking technology and strengthening partnerships for programmatic and financial support.
- Bicycle and Pedestrian Office – The Bike/Ped Office is funded primarily through CMAQ, as well as the City General Fund. The Bike/Ped Program Manager administers grant and General Funds to perform a variety of annual activities, including managing the Bicycle Ambassadors, Short Term Bicycle Parking, Bicycle Registration, Abandoned Bicycles and Bicycle Auction Programs. Ongoing activities include supporting the functions of the Bicycle and Pedestrian Advisory Board, participating in and supporting events that encourage utilizing active transportation, engaging with other agencies and organizations regarding safety education and policy matters affecting bicycling and walking, and working with other city departments to implement bicycle and pedestrian infrastructure projects. The Bike/Ped Manager anticipates focusing on planning, policy, and infrastructure implementation work this fiscal year.

City Strategic Goals & Department's Implementation Strategy

Goal #1: Funding and Service

- Strategy: Maintain or improve the level of service to citizens.
 - Continue to serve as a resource for citizens and other agencies by providing transportation data and information; enhance methods of communication to improve citizen understanding and involvement in transportation issues.
 - Implement bicycle and pedestrian programs and outreach; develop progressive planning policies and documents to support bicycle and pedestrian projects that improve transportation system connectivity and safety.
 - Implement innovative Transportation Demand Management programs, events, and projects that improve citizen access to the transportation system and transportation system efficiency and convenience.
 - Continue to explore ways to diversify funding for transportation planning, outreach and encouragement, and infrastructure implementation.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will integrate sustainability in transportation planning and services.
 - Review and update planning policies to ensure they adequately promote a sustainable balance between the natural and built environment and reflect community values.
 - Continue implementation of Transportation Demand Management programs and multimodal transportation infrastructure that supports sustainable transportation options and improves air quality and traffic flow with the cooperation of other City Departments and outside agencies.

Goal #3: Quality of Life for all Citizens

- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula’s citizens.
 - Enhance coordination between Transportation, Planning, and Engineering divisions to promote a healthy lifestyle for Missoula’s citizens.
 - Continue to provide education and outreach programs that encourage the use of sustainable transportation options that supports public health, as well as transportation system efficiency.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 511,890	\$ 604,830	\$ 546,094	\$ 635,479	\$ 30,649	5%
Supplies	36,326	42,587	50,929	44,660	2,073	5%
Purchased Services	77,586	268,984	292,993	166,910	(102,074)	-38%
Miscellaneous	245,485	308,689	134,977	408,689	100,000	32%
Debt Service	-	-	-	-	-	
Capital Outlay	4,900	-	2,817	-	-	
Total	\$ 876,187	\$ 1,225,090	\$ 1,027,811	\$ 1,255,738	\$ 30,648	3%

* Un-audited numbers

^ Budget was created in FY15

STAFFING SUMMARY

Title	Actual FY2015	Actual FY 2016	Adopted FY 2017
BICYCLE/PEDESTRIAN PROGRAM MANAGER	1.00	1.00	1.00
PLANNER I	1.00	1.00	1.00
PLANNER II	-	0.00	0.00
PLANNER III	2.00	2.00	2.00
PROGRAM SUPERVISOR	1.00	0.00	0.00
PROGRAM ASSISTANT	1.00	1.00	1.00
TRANSPORTATION MANAGER	1.00	1.00	1.00
PROGRAM SPECIALIST I	1.00	1.00	1.00
PROGRAM SPECIALIST II	-	1.00	1.00
BIKE AMBASSADOR	0.40	0.29	0.29
BIKE AMBASSADOR	-	0.28	0.28
PROGRAM VACANCY MIM	-	1.00	1.00
Total	8.40	9.57	9.57

^ Fund created in FY 15

2017 Budget Highlights

New Requests

- None

Budget changes

- None

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2014^	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Complete required annual Unified Planning Work Program Transportation Improvement Program and other transportation planning document updates on time.	100%	100%	100%	100%
2 . Fulfill the programmatic requirements of the Unified Annual Planning Work Program	100%	100%	100%	100%
3 . Maintain required MPO documents via amendments as required	100%	100%	100%	100%
4 . Fulfill programmatic requirements of Federal Grants including Congestion Mitigation Air Quality, PL, FTA5303	100%	100%	100%	100%

Workload Indicators

Indicator	Actual FY 2014^	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Bicycle parking spaces added	150	96	154	100
2 . Bicycle licenses (registrations) issued	200	300	428	300
3 . MIM participating Momentum employers	-	32	32	35
4 . MIM participating Way to Go! Club members	-	2,837	2,788	3,000
5 . MIM participating Commuter Challenge businesses	70	35	77	75
6 . MIM outreach events and presentations	35	37	49	40
7 . MIM website visits	31,500	23,740	21,981	20,000
8 . Roadway projects evaluated for bicycle facilities	-	9	10	10
9 . Traffic model runs completed to support transportation planning	5		10	30
10 . Active subcommittees staffed including TDM Consortium	4	4	6	8
11 . TTAC, TPCC and BPAB meetings held	20	30	40	30

^General Fund in FY 2014

Fund Description

A separate fund has been set up for each general obligation bond issue. These funds include cash and taxes receivable. Bonds payable appear in the long-term debt accounts. Pursuant to Section 7-6-4232 (2), the City Council may anticipate for delinquencies in establishing for debt service levies. This authority is not present for other tax levies.

General Obligation Voted Debt

2013A Aquatics GO Bond Refinanced in 2012. Originally issued in 2004 to construct the new aquatics facilities that were located at McCormick Park and Playfair Park as well as 4 splash decks around the city. Interest rate varies from 1.5% to 2.25%.

TOTAL FUND EXPENDITURES = \$ 593,785

2013 GO Refunding Bond Issued in 2013 to provide funds for refunding on July 1, 2013 the City's outstanding General Obligation Bonds, Series 2006 and Series 2007. The interest rate varies from 1.5% to 2.25%.

TOTAL FUND EXPENDITURES = \$ 670,470

FINANCIAL SUMMARY

2013A Aquatics Refunding Bond

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	540,048	595,148	595,323	593,785	(1,363)	0%
Capital Outlay	-	-	-	-	-	
Total	\$ 540,048	\$ 595,148	\$ 595,323	\$ 593,785	\$ (1,363)	0%

* Un-audited numbers

FINANCIAL SUMMARY

2013A Refunding Bond

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	77	-	-	-	-	
Debt Service	692,150	688,926	688,926	670,470	(18,456)	-3%
Capital Outlay	-	-	-	-	-	
Total	\$ 692,227	\$ 688,926	\$ 688,926	\$ 670,470	\$ (18,456)	-3%

* Un-audited numbers

Special improvement District (SID) Debt

Special Assessment Debt with Government Commitment

Property owners are assessed for principal and interest to repay special assessment bonds. If sufficient funds are not received, loans are made from the SID Revolving fund. This fund is financed by fees paid by each new SID, by cash transferred from the general fund if needed and by any surplus remaining in completed SID's. The cash balance in the Revolving Fund must equal at least 5% of the principal amount of debt outstanding. If the cash balance is less than 5%, a levy is required to bring the cash balance to the required minimum.

TOTAL FUND EXPENDITURES = \$1,724,135

FINANCIAL SUMMARY

Special Improvement District Debt 3100-3550

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	25,812	-	-	
Miscellaneous	216,985	-	120,431	-	-	
Debt Service	1,867,099	1,736,740	1,828,495	1,724,135	(12,605)	-1%
Capital Outlay	-	-	-	-	-	
Total	\$ 2,084,084	\$ 1,736,740	\$ 1,974,739	\$ 1,724,135	\$ (12,605)	-1%

* Un-audited numbers

Fund Description

The Capital Improvement Program is a five-year planning program designed to guide decisions concerning capital expenditures. The first year of the plan is the current year's capital budget.

This fund accounts for the City's major capital projects, except those that are funded within special funds such as Sewer R&D, the Missoula Redevelopment Agency, or Community Development Block Grants.

Activities & Objectives

The following descriptions are just summaries of the projects. For additional information, please see the FY 17-22 CIP document.

City Shop Remodel - Activity Budget equals \$ 318,450

This request is to handle the debt service for the expansion of the City Shop buildings to meet the demands of space needs for expanding City departments.

Fire Station #4 General Fund Debt Service – Activity Budget equals \$ 437,340

This request is to handle the debt service for improvements and expansion of Fire Station #4.

50 Meter Pool Debt Service - Activity Budget equals \$ 562,495

This request is to handle the debt service for the General Fund Support of \$800,000 for the replacement of the city's 50 meter pool.

2010A Refunding Bond – Activity Budget equals \$ 131,513

2010C Energy Performance – Activity Budget equals \$ 86,575

This request is handle the debt service for the Johnson Control Energy Savings contract.

Internally Financed Equipment – Prior Years - Activity Budget equals \$ 162,176

This is internal financing payment for prior year heavy equipment replacement.

Core Light Vehicle Equipment Replacement – Activity Budget equals \$ 517,291

This request will replace core light vehicle equipment slated for replacement in FY 2011 per the replacement schedule.

Total Fund Expenditures \$ 2,215,840

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 1,384	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	835	-	100,427	-	-	
Miscellaneous	9,183	-	2,679,436	-	-	
Debt Service	867,913	1,064,565	909,176	2,215,840	1,151,275	108%
Capital Outlay	3,998,630	20,000	2,122,049	-	(20,000)	-100%
Total	\$ 4,877,946	\$ 1,084,565	\$ 5,811,087	\$ 2,215,840	\$ 1,131,275	104%

* Un-audited numbers

Fund Description

Missoula voters approved a \$5,000,000 general obligation bond referendum in November 1996 allowing the City to purchase open space land and conservation easements.

Activities & Objectives

The debt was issued in two series, one for \$3.5 million and one for \$1.5 million. The remaining bond sale of \$1,500,000 has been used to acquire open space parcels such as the front and back side of Mt. Sentinel, riparian corridors along the Clark Fork River, and a small pocket park in the River Road area and pay associated costs as determined by the Open Space Advisory Committee and the City Council. In FY 2009, \$200,000 was transferred as City match for the Bicycle Commuter Network projects. The remaining balance is targeted for purchasing parkland in neighborhoods with a low Level of Service in regards to parkland, such as the Franklin to the Fort neighborhood.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	375,602	-	389,534	13,932	4%
Total	\$ -	\$ 375,602	\$ -	\$ 389,534	\$ 13,932	4%

* Un-audited numbers

Program Description

This fund is set up for the issuance of \$1,555,000 Civic Stadium Revenue Bonds for the Civic Stadium Project; to purchase the interest of certain secured lenders in the Civic Stadium; Authorizing and directing the issuance; prescribing the form and terms thereof and the security thereof and the Ordinance declaring the purchase of the Civic Stadium an Urban Renewal Project in Urban Renewal District II and approval of the Missoula Civic Stadium Lease and Use Agreement and the Civic Stadium Agreement.

Goals & Objectives

The City will receive lease payments in the amount of \$120,000 a year for 20 years from Mountain Baseball. The lease payments will be used to make the debt service payments to the creditors of the \$1,555,000 Civic Stadium Revenue Bonds.

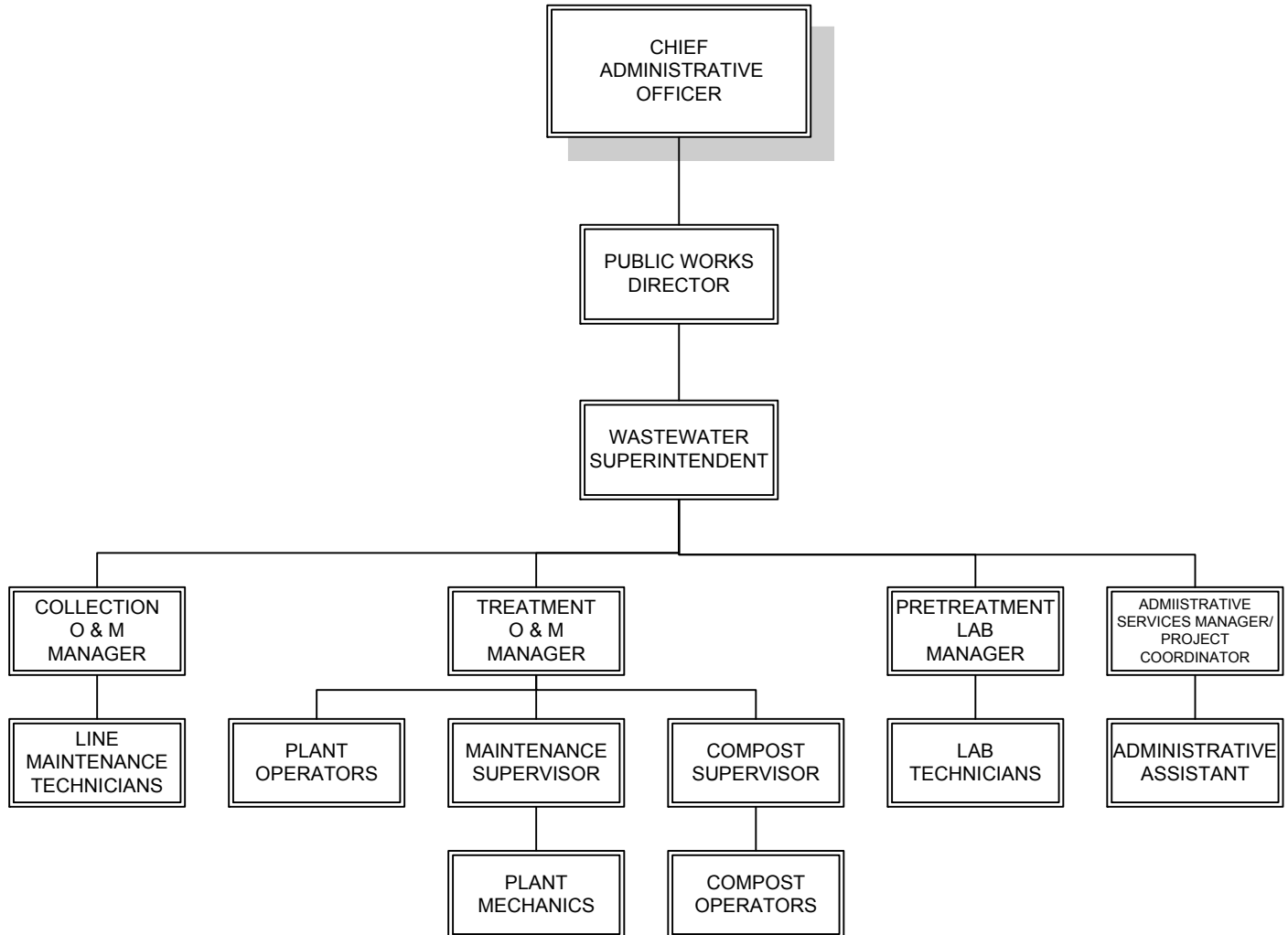
FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	118,500	3,000	119,050	3,000	-	0%
Debt Service	81,197	117,000	78,656	117,000	-	0%
Capital Outlay	-	-	-	-	-	
Total	\$ 199,697	\$ 120,000	\$ 197,706	\$ 120,000	\$ -	0%

* Un-audited numbers



Public Works Waste Water Division



Program Description

The Wastewater Division is responsible for the collection and treatment of domestic and industrial wastewater generated in the Missoula sewer areas. Administration, maintenance, operation, monitoring, testing and the pretreatment program are the primary functions of the Division. These activities are conducted under the Montana Pollution Discharge Elimination System (MPDES) permit issued by the Montana Department Environmental Quality (MDEQ) and the National Pollution Discharge Elimination System (NPDES) permit issued by the United States Environmental Protection Agency (USEPA). The Division considers itself a water resource recovery facility with a goal of recovering 100% of the by-products of wastewater treatment including bio solids for compost, bio-fuel for electricity and heat, and treated effluent for irrigation.

The Wastewater Division is separated into four distinct sections:

- Wastewater Collection
- Wastewater Treatment
- Wastewater Administration
- Wastewater Pretreatment / Laboratory

City Strategic Plan & Department's Implementation Strategy

Goal #1: Funding and Service

- Strategy: We will maintain and improve the level of service to citizens.
 - Continue to maintain and repair the collections system to eliminate sewer back-ups and reduce ground water inflow.
 - Continue to utilize the Accela Asset Management System.
 - Continue to utilize the equipment GPS system for operational efficiency in the collection system.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - Continue to research and implement energy reduction projects and policies and pursue grant programs to fund those projects including beneficial reuse to reduce costs.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
 - Continue to work with the Montana Department of Environmental Quality and Hybrid Energy Group to expand the hybrid poplar tree treated effluent land application project.
 - Understand and plan for future changes in the MPDES permit limits.
 - Aggressively research and implement programs to reduce the facilities greenhouse gas emissions.

Goal #3: Quality of Life for All Citizens

- Improve treatment performance to protect the water environment and public health.
-

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	1,750,164	\$ 1,781,049	1,793,513	1,888,712	\$ 107,663	6%
Supplies	395,082	451,620	542,803	461,620	\$ 10,000	2%
Purchased Services	1,501,583	1,565,581	1,676,023	1,537,724	\$ (27,857)	-2%
Miscellaneous	3,822,929	1,333,702	3,993,307	1,457,338	\$ 123,636	9%
Debt Service	196	-	39	-	\$ -	
Capital Outlay	-	-	19,387	-	\$ -	
Total	\$ 7,469,954	\$ 5,131,952	\$ 8,025,071	\$ 5,345,394	\$ 213,442	4%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
WASTEWATER SUPERINTENDENT	1.00	1.00	1.00	1.00
COLLECTION & MAINTENANCE MANAGER	1.00	1.00	1.00	1.00
WASTEWATER PLANT MANAGER	1.00	1.00	1.00	1.00
PRE-TREATMENT LAB MANAGER	1.00	1.00	1.00	1.00
CHEMIST	1.00	1.00	1.00	1.00
CHEMIST	1.00	1.00	1.00	1.00
PLANT MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
MECHANIC/OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE SERVICES MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	-	-	1.00	1.00
ADMINISTRATIVE ASSISTANT	-	-	0.50	0.50
INTERMITTENT LABORERS/INTERN	0.50	0.50	0.50	0.50
Total	22.50	22.50	24.00	24.00

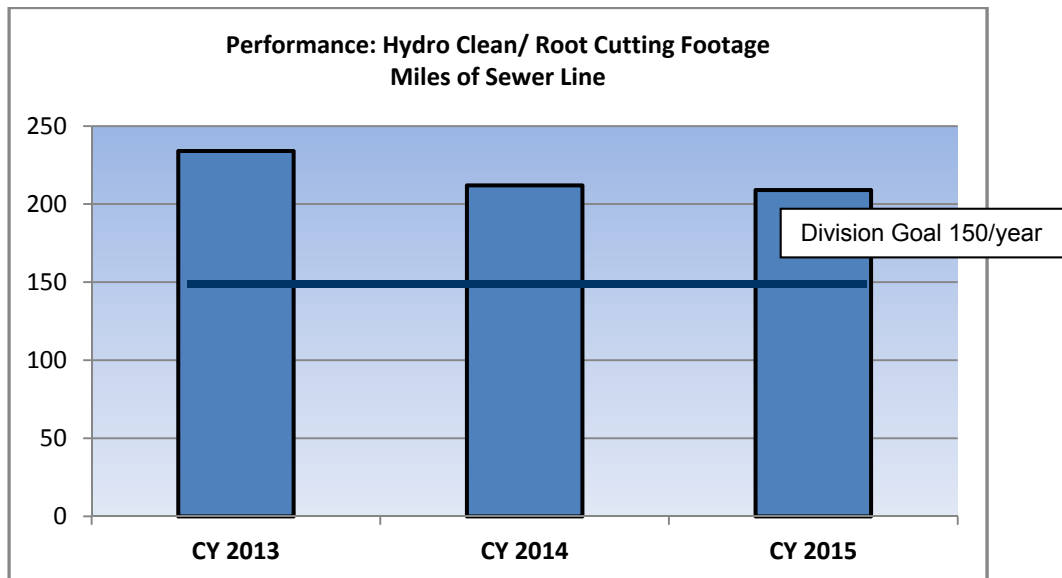
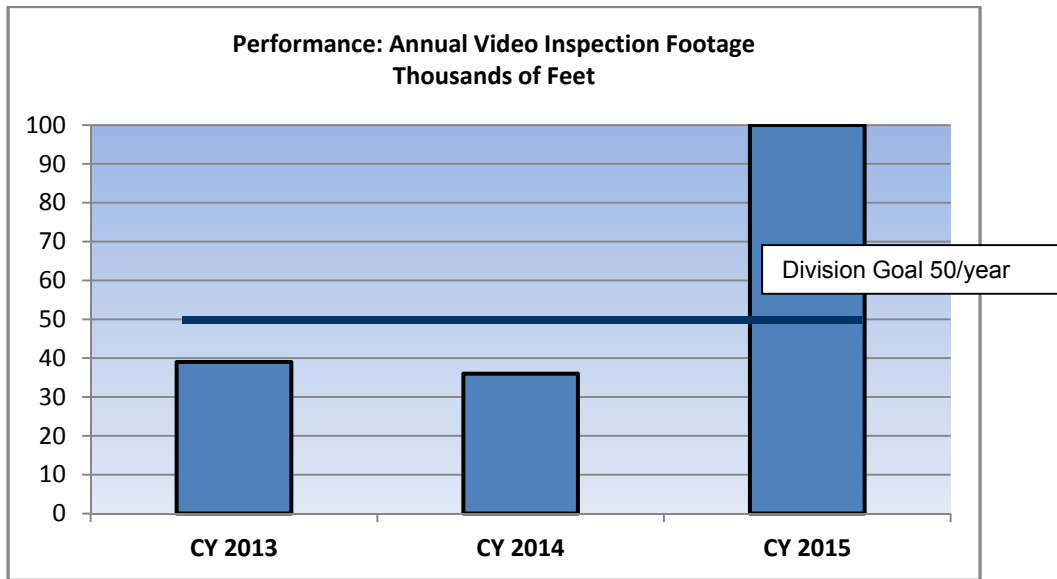
2017 Budget Highlights

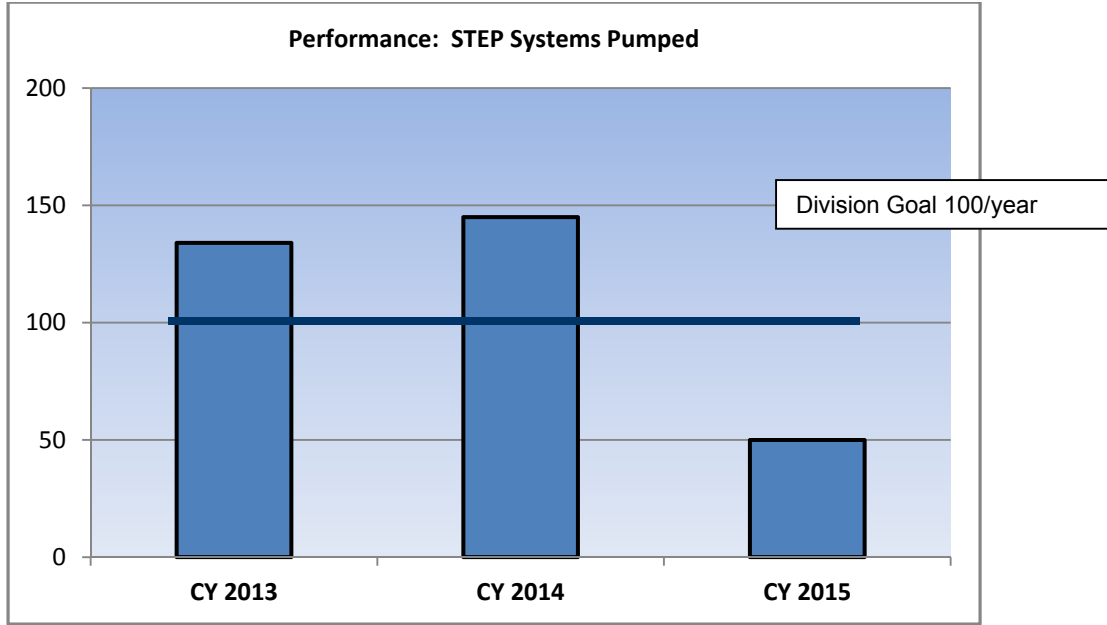
Purchased Services:

- Increase printing and duplicating account for Administration to print bi-annual newsletter that is mailed out with sewer bills.
- Increase professional services for Laboratory to perform monthly metals testing as required by the permit issued in 2015 by the Montana Department of Environmental Quality.

Supplies:

- Increase supply budget for Treatment Plant for polymer to effectively dewater the bio solids using the recently installed screw press.





Performance Measures & Workload Indicators

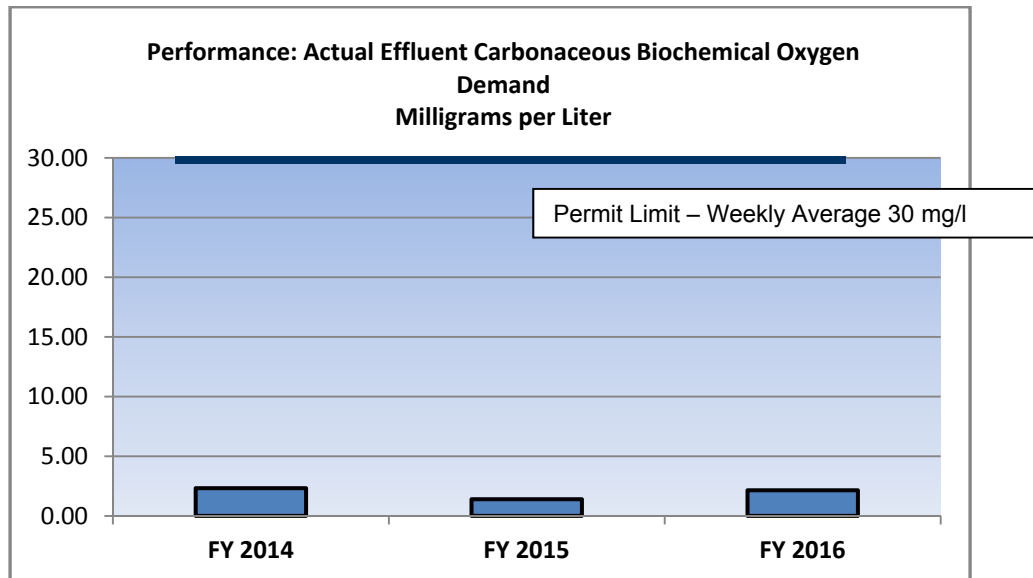
Performance Measures

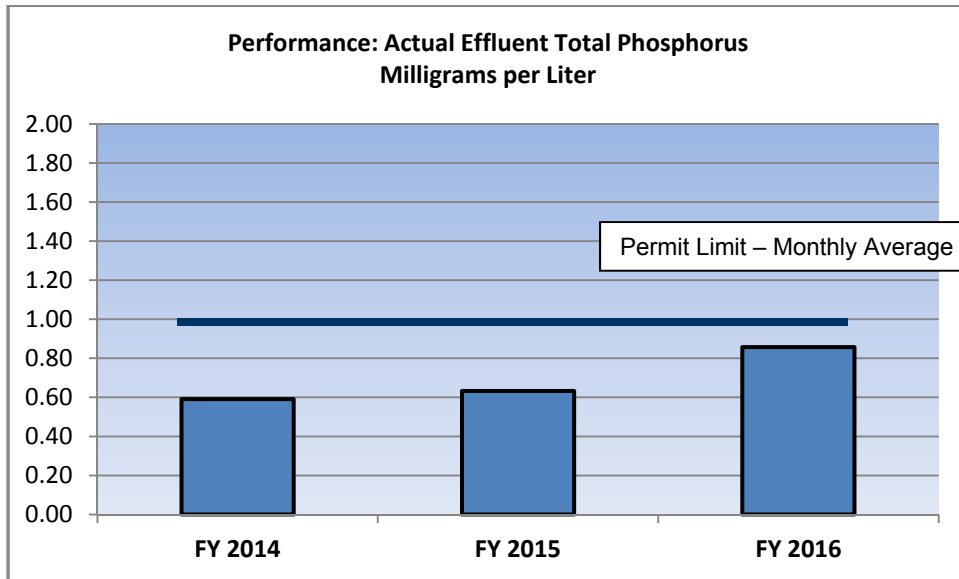
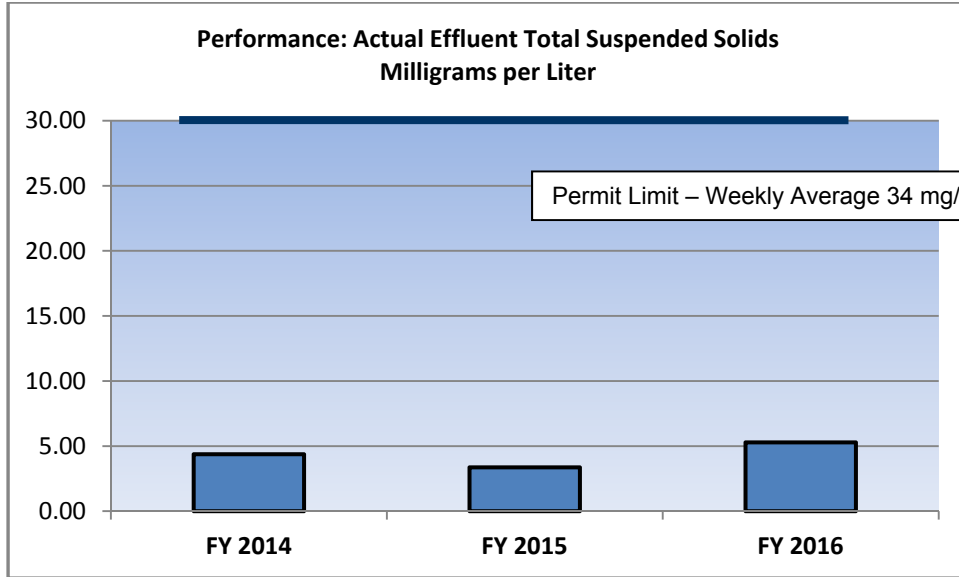
Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Continue scheduled maintenance on the collection system to prevent sanitary sewer over-flows, sewer back-ups and identify and repair sewer lines prone to ground water infiltration.	100%	100%	100%	100%
2 . Continue to exceed MPDES permit requirements for discharge into the Clark Fork River and use the Wastewater Facility Plan and other source material to plan for future growth and regulatory changes.	100%	100%	100%	100%
3 . Continue to operate a certified laboratory. Continue 100% compliance with Significant Industrial User (SIU) inspections.	100%	100%	100%	100%

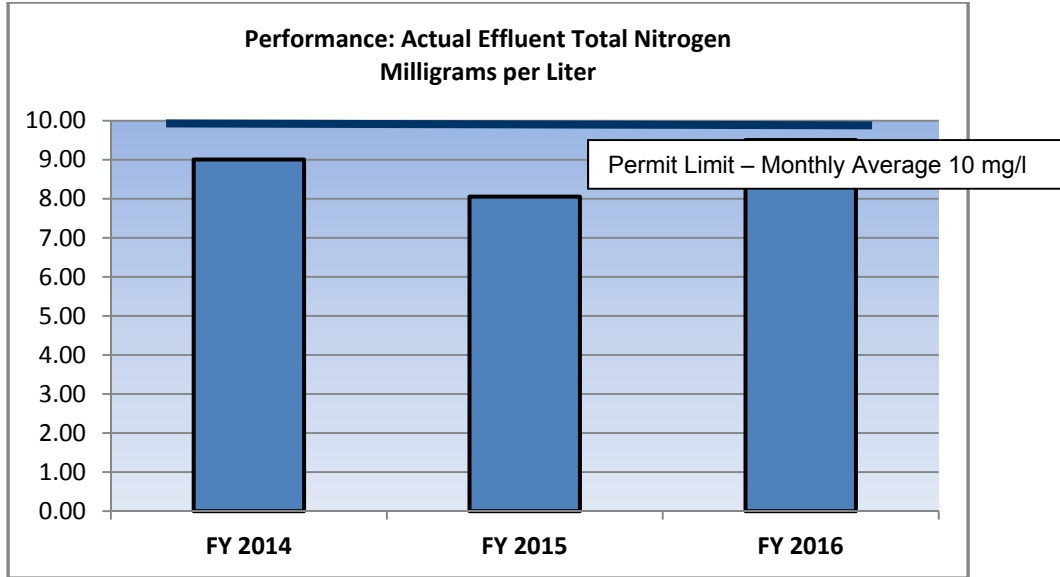
Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Annual sewer main hydro-cleaning/root cutting (feet)	1,235,023	1,117,037	1,103,520	800,000
2 . Annual sewer main video inspection (feet)	38,827	35,574	100,320	50,000
3 . Annual STEP tanks pumped	134	145	50	101
4 . Treated plant effluent cBOD and TSS	<5 mg/l	<5 mg/l	<5 mg/l	<5 mg/l
5 . Treated plant effluent phosphorus	0.59 mg/l	0.58 mg/l	0.86 mg/l	<1 mg/l
6 . Treated plant effluent nitrogen	9.01 mg/l	7.77 mg/l	9.5 mg/l	<10 mg/l
7 . Laboratory QA/QC certification	Pass	Pass	Pass	Pass
8 . 15 Annual Significant Industrial User (SIU) inspections	100%	100%	100%	100%

Wastewater Treatment Performance Measures







Pretreatment/ Laboratory Performance Measures

Year	Laboratory QA/QC	15 Annual SIU Inspections
FY14	Passed all	100%
FY15	Passed all	100%
FY16	Passed all	100%

Program Description – (5311)

This fund receives the revenues of the different Sewer Enterprise funds and distributes them according to need. The primary revenue source is the user fees charged to users of the Sewage system.

Activities and Objectives

To receive and transfer approximately \$7,963,568 in sewer use fees, delinquencies and interest on investments during Fiscal Year 2017.

INTER-FUND TRANSFER OUT

Transfer to Sewer Operating Budget	5,466,072
Transfer to Sewer R&D Fund	416,418
Transfer to Sewer Revenue Bond Series 2001 Bond Debt Service	30,480
Transfer to Sewer Revenue Bond Series 2001 Bond Debt Service	48,480
Transfer to Sewer Revenue Bond Series 1999 Bond Debt Service	123,600
Transfer to Sewer Revenue Bond Series 2002 Bond Debt Service	84,420
Transfer to Sewer Revenue Bond Series 2002 Bond Debt Service	330,810
Transfer to Sewer Revenue Bond Series 2003 Bond Debt Service	250,156
Transfer to Sewer Revenue Bond Series 2003 Bond Debt Service	243,416
Transfer to Sewer Revenue Bond Series 2005 Bond Debt Service	109,451
Transfer to Sewer Revenue Bond Series 2010A Bond Debt Service	30,350
Transfer to Sewer Revenue Bond Series 2010 Bond Debt Service	446,954
Transfer to Sewer Revenue Bond Series 2011 Bond Debt Service	100,380
Transfer to Sewer Revenue Bond Series 2015 Bond Debt Service	62,400
Transfer to Sewer Revenue Bond Series 2016 Bond Debt Service	268,969
Total	7,963,568

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	7,401,470	7,391,083	7,651,366	7,963,568	572,485	8%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 7,401,470	\$ 7,391,083	\$ 7,651,366	\$ 7,963,568	\$ 572,485	8%

* Un-audited numbers

Program Description – (5315)

This fund accounts for the receipts and disbursements made pursuant to the two loan programs available to offset the costs of sewer connections for residential properties.

Activities and Objectives

The City Sewer Loan Program was created to provide financial assistance to property owners to connect to sanitary sewer. Eligibility requirements include: home has to be owner occupied, property has to be less than 50,000 square feet in size and owners need to be below Federal HUD Median Household Income 80% Limit level. This program is not available to properties outside the City limits.

There are two payment alternatives: 1) the loan payments are deferred and do not have to be paid off until the property or owners no longer meet the eligibility requirements; or 2) the loan is paid off over eight years. Both options accrue interest at the rate established for the City's Sidewalk and Curb Warrants (currently 5.536%)

The Bank Sewer Loan Program was created in FY95 in conjunction with local banks and credit unions. The participating banks and credit unions provide loans for the connection costs to the City sewer system and the City guarantees the loan, providing that the property owners complete the City's application and related City forms. If a loan is defaulted on, the City buys the loan and places it as a lien on the property. Residential properties, including rentals and multi-family units are eligible for this program. This program is available to residential properties in or out of the City limits.

TOTAL FUND EXPENDITURES - \$20,000

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	22,519	-	-	-	-	
Miscellaneous	-	20,000	-	20,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 22,519	\$ 20,000	\$ -	\$ 20,000	\$ -	0%

* Un-audited numbers

Program Description – (5320)

The Wastewater Treatment Replacement and Depreciation fund was established to account for the Wastewater Treatment Plant's fixed assets, fund balance, and depreciation reserves. The balance of Sewer Use Fees that are not needed for operations or debt service is accumulated in the R & D fund for future capital replacement and improvements.

Activities and Objectives

The projects scheduled for the Wastewater Treatment R & D fund are listed below.

1. **Miscellaneous Sewer Main Repairs:** Minor repair projects to the existing collection system. (Account 360: \$200,000)
2. **Miscellaneous WWTP Repair Projects:** This appropriation is for repair projects to the existing Wastewater Treatment Plant infrastructure that cannot be anticipated. (Account 360: \$200,000)
3. **Lateral Sewer Main Extensions:** Provide lateral mains under new street construction projects to prevent the need to dig up street for future sewer line development. Costs may be recovered when future connections occur. (Account 360: \$10,000)
4. **Capital Lease:** Payment for the Capital Lease for equipment purchases. (Account 610: \$92,749) (Account 620: \$2,459)
5. **Russell Street Interceptor:** The roadway reconstruction of Russell Street will necessitate repairs to the existing Russell Interceptor sewer main. (Account 360: \$31,500)
6. **Composting & Green Waste Facility:** Budget for the purchase and updating of EKO Compost. . (Account 920: \$1,300,000)

Total Purchased Services: \$441,500
Total Principal and Interest: \$95,208
Total Capital Outlay: \$1,300,000
Total Expenditures: \$1,836,708

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	163,963	424,000	256,767	441,500	17,500	4%
Miscellaneous	50,213	-	-	-	-	
Debt Service	6,166	89,378	6,330	95,208	5,830	7%
Capital Outlay	(19,539)	100,000	(163,885)	1,300,000	1,200,000	1200%
Total	\$ 200,804	\$ 613,378	\$ 99,212	\$ 1,836,708	\$ 1,223,330	199%

* Un-audited numbers

Program Description - (5325)

This fund is established to segregate expenditures and revenues of the Sewer Development Fee. The fee is charged on new sewer connections to reflect a contribution by new customers toward the cost of the existing physical plant and sewer lines. This contribution compensates existing users for the Sewer plant and additions which were built to allow sufficient capacity for future community growth.

Activities and Objectives

Sewer Development Fees are earmarked for necessary sewer projects related to new connections and sewer system capacity expansion. The City Council has to give prior approval to any expenditure from the Sewer Development Fee Fund.

\$50,000 is appropriated for various projects that may come up as the year progresses where it is appropriate to increase capacity of a private line being installed for future users.

The expenditures for FY 2017 are as follows:

- Oversizing Assistance - \$50,000
- Old Highway 93 Sewer Interceptor- \$923,994
- Broadway Interceptor- \$145,000

TOTAL FUND EXPENDITURES - \$1,118,994

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	62,456	-	68,653	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	8,116	-	-	-	-	
Capital Outlay	-	247,118	7,761	1,118,994	871,876	353%
Total	\$ 70,572	\$ 247,118	\$ 76,414	\$ 1,118,994	\$ 871,876	353%

* Un-audited numbers

Program Description – (5340)

The fund accounts for the receipts and expenditures for major Sewage Plant construction projects. The primary funding sources for such projects are revenue bonds, grants, and the State Revolving Fund (SRF) Program which was established with the final EPA appropriations for state and local wastewater treatment projects.

Activities and Objectives

The expenditures for FY 2017 are as follows:

- **Linda Vista Blvd Interceptor:** Completion of this interceptor will allow for the removal of several community STEP systems. This will eliminate potential problems of possible sewer overflow due to increased development and sewer connections in this area. (\$769,866)
- **Reserve Street Lift Station Upgrade:** Reserve Street Lift Station is approaching the end of its service life and will be upgraded and rehabilitated. A redesign has reduced cost significantly from previous estimate. (\$569,000)
- **Biogas Electrical Generation:** Install a large scale reciprocating engine package for electrical generation, saving an estimated \$85,200 annually in electrical costs. (\$1,179,100)

TOTAL FUND EXPENDITURES - \$ 2,517,966

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	3,496,300	559,670	2,517,966	(978,334)	-28%
Total	\$ -	\$ 3,496,300	\$ 559,670	\$ 2,517,966	\$ (978,334)	-28%

* Un-audited numbers

Program Description – (5361, 5362, 5365, 5371, 5373, 5375, 5377, 5379, 5383, 5386, 5387, 5389, 5391)

These funds account for the three existing Sewer Revenue Bonds, two 1992 bond issues to the State of Montana SRF revolving loan program, a 1999 bond issue to the State of Montana SRF revolving loan program and a 2000 bond issue to the State of Montana SRF revolving loan program. Expenditures from the funds are for the yearly debt service payments.

Activities and Objectives

2001 Sewer Revenue Bond (5361) - To make yearly debt service on the bonds that were issued to finance the installation of the Bellvue Interceptor. **\$30,480**

2000 Series B Sewer Revenue Bond (5362) - To make yearly debt service on the Series 2000B bonds that were issued to finance the installation of the Reserve Street collector and Pineview interceptor. **\$48,480**

1999 Sewer Revenue Bond (5365) - To make yearly debt service on the Series 1998 bonds that were issued to finance the installation of the East Reserve Street collector, Mullan Road interceptor, administration building refurbish and engineering for the new treatment plant. **\$123,600**

2002 Sewer Revenue Bond (5371) - To make yearly debt service on the bonds that were issued to finance the installation of the 39th Street/SW Higgins-Bellvue Interceptor and the treatment plant upgrade. **\$84,420**

2002 Series A Sewer Revenue Bond (5373) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$330,810**

2003 Series B Sewer Revenue Bond (5375) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$250,156**

2004 Sewer Revenue Bond (5377) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$243,416**

2005 Sewer Revenue Bond (5379) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on Birch/Broadway/Lincolnwood Phase I/Gilbert. **\$109,451**

2010 Sewer Revenue Bond Series (5383) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on Lolo Street. **\$30,350**

2010 Sewer Revenue Bond Series A (5386) - To make yearly debt service on the bonds that were issued to finance the upgrade of the Head-works at the Treatment Plant. **\$698,099**

2011 Sewer Revenue Bond Series A (5387) - To make yearly debt service on the bonds that were issued to finance various sewer system improvements. **\$100,380**

2015 Sewer Revenue Bond Series A (5389) - To make yearly debt service on the bonds that were issued to finance various sewer system improvements. **\$62,063**

2016 Sewer Revenue Bond (5391) – To make yearly debt service on the bonds that were issued to finance various system improvements. **\$170,238**

Total Expenditures: \$2,282,213

FINANCIAL SUMMARY

Sewer Debt Service: Funds 5361 - 5392

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	547	64,396	-	-	(64,396)	-100%
Debt Service	829,255	2,091,675	959,287	2,282,213	190,538	9%
Capital Outlay	-	-	-	-	-	
Total	\$ 829,802	\$ 2,156,071	\$ 959,287	\$ 2,282,213	\$ 126,142	6%

* Un-audited numbers

Program Description

The goal of this activity is to provide quality aquatics programs, opportunities and facilities for citizens of all ages, interests, and abilities thus giving every resident as well as guests an opportunity for lifetime leisure skills, water safety skills and active, healthy life styles.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Financial Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - Engineering study on the merits of utilizing variable frequency drives on the pool pump motors to decrease energy costs.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
 - Install a thermostat on each of the 4 spray decks to turn on when the temperature is below a certain degree. This will save energy as well as reduce wear and tear on motors.

Goal #3: Quality of Life for All People in All Places

- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.
 - Promote healthy Aquatics Programs
 - We will work with the Missoula Aquatic Club to administer the National Swimming Pool Foundation In the Swim grant money to provide free swim lessons and swim gear to low income, disadvantaged youth.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 718,291	\$ 680,828	\$ 468,301	\$ 681,213	\$ 385	0%
Supplies	183,366	238,500	93,694	213,500	(25,000)	-10%
Purchased Services	283,745	342,110	171,803	322,045	(20,065)	-6%
Miscellaneous	609,796	18,512	2,256	12,000	(6,512)	-35%
Debt Service	-	12,377	-	-	(12,377)	-100%
Capital Outlay	2,974	135,000	-	35,000	(100,000)	-74%
Total	\$ 1,798,172	\$ 1,427,327	\$ 736,053	\$ 1,263,758	\$ (163,569)	-11%

* Un-audited numbers

Highlights

Splash Montana and Currents Aquatics Center continue to be extremely popular recreational facilities with all age groups. "The Lake" 50-meter pool is heavily utilized by fitness swimmers and the local competitive swim teams. Splash Montana continues to host several special swim events each year at The Lake, including the Firecracker Swim Meet, the 2nd Annual Zoo Town Triathlon, and the Tube Bowl (inner tube water polo's annual competitive event).

Accomplishments include:

- ❖ Enabled 150 low income or underserved City and County school aged children to have free swim lessons via the MAC and NSPF In the Swim Grant funding.
- ❖ Installed a Variable Frequency Drive on the Spa feature pump and air blower to reduce costly energy spikes on the frequent on/off cycle, and to reduce wear on the motors.
- ❖ Installed (as of May 30, 2016) thermostat controls on the 4 Spray Decks to reduce energy waste by children operating the spray deck when the temperatures are below a particular level. This will also reduce wear on the motors.
- ❖ Received the "Best of Missoula Award" at Splash Montana for places for kids to have fun.
- ❖ Increase Private lesson revenue by ¼ the amount of the previous year at Currents.

Goals for 2017

- ❖ Continue to increase Swim Lesson revenue through booking a greater number of private lessons for individuals who prefer one on one instruction.
- ❖ Identify a qualified engineer and contract with them to explore energy saving options and available funding to utilize VFD hardware at the Aquatics Facility pumps.
- ❖ Increase Swim Lesson and General Admission revenue through booking a greater number of daycare and youth organizations for swim lessons and recreational swim trips.
- ❖ Contract with a tile professional to remove the old tile and install new tile around the edge of the Lazy River at Splash.

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
AQUATICS STAFF				
AQUATICS SUPERVISOR	1.00	1.00	1.00	1.00
AQUATICS PROGRAM COORDINATOR	2.00	2.00	2.00	2.00
REC SUPPORT SPECIALIST II	1.00	1.00	1.00	1.00
REC SUPPORT SPECIALIST I	-	0.75	0.75	0.75
LEVEL 1 INTERMITTENT RECREATION	2.30	1.20	1.96	1.96
LEVEL 2 INTERMITTENT RECREATION	12.90	2.50	7.53	4.59
LEVEL 3 INTERMITTENT RECREATION	3.06	6.50	4.55	6.53
LEVEL 4 INTERMITTENT RECREATION	1.75	2.18	4.23	4.23
LEVEL 5 INTERMITTENT RECREATION	0.95	5.50	0.22	1.16
LEVEL 5 INTERMITTENT SPECIALTY INSTRUCTOR	0.49	0.50	0.39	0.41
PART TIME CASHIER	1.61	-	-	-
PART TIME CUSTODIAN	0.75	0.75	0.25	0.25
Total	27.81	23.88	23.88	23.88

Aquatics Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Increase sale of punch card and drop in visits	\$ 511,538	\$ 575,988	\$ 504,071	\$ 582,000
2 . Implement cyclic maintenance program at Splash and Currents to be funded through subsidy and reserve balance.	\$ 20,000	\$ 35,000	\$ 35,000	\$ 35,000
3 . Increase Avg \$ per person spent after entry at Splash Montana	\$ 1.67	\$ 2.66	\$ 3.11	\$ 3.15

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Number of daily admissions at Currents	43,982	43,603	48,608	45,000
2 . Number of daily admissions at Splash	50,904	60,555	40,799	55,000
3 . Number attending swim lessons at Currents	9,400	9,956	10,422	11,250
4 . Number attending swim lessons at Splash	2,847	3,280	3,142	3,500
5 . Total Attendance includes rentals and passes	173,674	187,908	172,353	191,000
6 . Splash concessions revenue.	\$ 155,241	\$ 201,265	\$ 153,901	\$ 175,000

Program Description

This fund is set up as an internal service fund for the City's self-insured employee health insurance program. The fund receives revenues in the form of monthly employer contributions from all City departments, employee contributions, and payments from retired employees who are given the option of paying monthly insurance premiums to remain on the health insurance plan. Retired employee contributions receive a 15% subsidy from the City.

Goals & Objectives

- Each City department is charged per payroll for contributions to the employee health insurance program. The revenue from General Fund tax supported departments originates in special health insurance tax levy funds (2371 and 2372) where state law allows a special tax levy above and beyond the special all-purpose General Fund levy. These revenues are transferred regularly to the General Fund to reimburse the General Fund for the expenditures of the contributions to the health insurance fund. The FY2016 monthly premium for the health insurance paid on behalf of the City of \$767 per employee is increasing by 3% or \$23 per employee per month starting in October 2016 to \$790 per employee. Additional contributions of \$1,200,000 were made to the plan over FY2014 and FY2015 in order to reverse the trend of a falling fund balance into an annual growth in fund balance. The end of FY2016, the unaudited fund balance is \$1,200,000 and the budgeted ending fund balance for FY2017 is anticipating an increase of \$200,000 (\$1,400,000).

Administration Recommendation

- The City is committed to maintaining a 3 month reserve in the health plan based off the budgeted expenditures. The target fund balance for FY2017, meeting the reserve requirement, is \$1,600,000. In order to continue to build fund balance the administration recommended that the City's funding of the health plan be increased by 3% (\$23.00) per employee beginning October 2016. In addition to the increase in the City's contribution, the employees are asked to increase an equivalent of 3% (\$1.00) per employee and \$24.00 per spouse/employee, when applicable, per month. The Employee Benefit Committee has been focusing on identifying ways and methods to cut costs within the health plan by utilizing the assistance of the plans third party administrator, Allegiance.

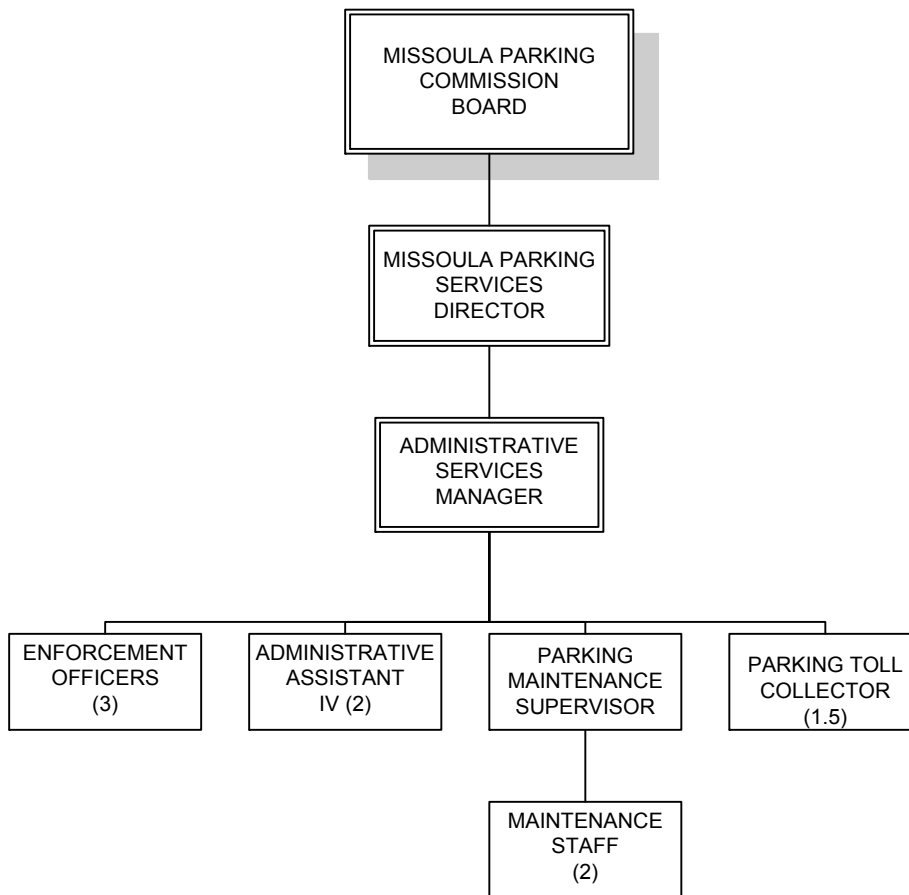
FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	5,637,995	6,137,237	2,115,161	6,440,785	303,548	5%
Miscellaneous	6,616	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 5,644,611	\$ 6,137,237	\$ 2,115,161	\$ 6,440,785	\$ 303,548	5%

* Un-audited numbers



Missoula Parking Commission



Program Description

The Missoula Parking Commission (MPC) works with government, businesses and citizens to provide and manage parking and parking alternatives. MPC identifies and responds to changing parking needs in the area for which it is responsible.

City Strategic Plan &
Department's Implementation Strategy

Goal #1: Quality of life for all people in all places.

Strategy:

- Improve the level of service to citizens by implementing a new pay-by-phone application to provide citizens with multiple on-street meter payment options.

Goal #2: Harmonious natural and built environment

Strategy:

- Evaluate the physical status of all of our structures and off-street lots to ensure that our natural and built environments continue to represent Missoula's values of clean water, clean air and sustainability. Determine repairs that are needed, the costs associated with those repairs and develop a phased plan to bring the structures and lots to an acceptable state of repair.

Goal #3: Fiscal sustainability.

Strategy:

- Maintain the level of service to citizens by evaluating the parking impacts of upcoming Downtown construction and development on current parking availability. Improve the level of service to citizens by determining and evaluating additional available parking options for any displaced lease holders during times of construction.

Parking Commission:

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 674,285	\$ 641,955	\$ 407,542	\$ 665,877	\$ 23,922	4%
Supplies	24,163	46,400	8,086	45,600	(800)	-2%
Purchased Services	404,958	407,170	205,132	418,328	11,158	3%
Miscellaneous	606,547	624,280	286,763	622,596	(1,684)	0%
Debt Service	-	64,950	56,763	210,983	146,033	225%
Capital Outlay	5,326	1,560,506	1,250,587	-	(1,560,506)	-100%
Total	\$ 1,715,279	\$ 3,345,261	\$ 2,214,873	\$ 1,963,384	\$ (1,381,877)	-41%

* Un-audited numbers

Parking Interest Fund (7371):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	275,296	272,925	69,360	266,200	(6,725)	-2%
Capital Outlay	-	-	-	-	-	
Total	\$ 275,296	\$ 272,925	\$ 69,360	\$ 266,200	\$ (6,725)	-2%

* Un-audited numbers

Parking Sinking Fund (7372):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	66,670	-	-	-	-	
Debt Service	350	185,000	185,000	250,000	65,000	35%
Capital Outlay	-	-	-	-	-	
Total	\$ 67,020	\$ 185,000	\$ 185,000	\$ 250,000	\$ 65,000	35%

* Un-audited numbers

Parking Pledged Tax Increment (7375):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	64,827	121,431	-	266,851	145,420	120%
Miscellaneous	-	146,731	-	-	(146,731)	-100%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 64,827	\$ 268,162	\$ -	\$ 266,851	\$ (1,311)	0%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
DIRECTOR	1.00	1.00	1.00	1.00
ADMINISTRATIVE SERVICES MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASST IV	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASST IV	1.00	1.00	1.00	1.00
ENFORCEMENT OFFICER	1.00	1.00	1.00	1.00
ENFORCEMENT OFFICER	1.00	1.00	1.00	1.00
ENFORCEMENT OFFICER	1.00	1.00	1.00	1.00
PARKING MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
MAINT. WORKER / FEE COLLECTOR	1.00	1.00	1.00	1.00
MAINT. WORKER / FEE COLLECTOR	1.00	1.00	1.00	1.00
TOLL COLLECTOR	1.00	1.00	1.00	1.00
TOLL COLLECTOR	0.50	0.50	0.50	0.50
Total	11.50	11.50	11.50	11.50

2017 Budget Highlights

The Missoula Parking Commission’s mission is to “provide and manage parking and parking alternatives”. To this charge, the MPC is committed to these three goals and will apply the following strategies and objectives in order to achieve them in FY17.

1. To provide parking:

At this point, the demand for monthly and short term parking is being well managed. We increased the number of lease spots available in Downtown Missoula with five new areas and continue to work towards leasing the remaining available monthly spaces in Park Place, as well as work to promote public use of the structure during the weekday and for special events during the weekends. Daily use in Park Place and Central Park has increased substantially. We will continue to urge downtown parkers to park in these structures.

The MPC is evaluating opportunities to increase our on-street lease program in the outlying Downtown areas that will accommodate downtown employees and residents who have vehicles. This will provide guaranteed parking for the lessees and reduce the need for meters in these areas.

2. To manage parking:

As a result of the Greater Missoula Downtown Master Plan (2009) and the sub documents relating to a Strategic Parking Plan, the only remaining task to complete in FY16 was to implement new on-street meter technology. The Parking Commission replaced the old, mechanical meters with new on-street digital multi-space meters that offer more payment options and are more user friendly in many aspects. The new system was implemented at the end of the calendar year, 2015 and has completed the Missoula parking program, and The Missoula parking program has brought it up to the standards of the industry. We intend to implement a pay-by-phone program that will allow customers to pay for on-street parking via cell phone app, website, QR code, and telephone. The selected pay-by-phone program should be implemented by August, 2016.

With most of the Parking Commission's financial resources committed to the building of Park Place as well as the implementation of the new multi-space parking meter kiosks, now is the time for the Board of Directors to focus on enhancing revenue opportunities and future projects that will support economic development in Downtown Missoula. There are several large projects pending, including the sale of the Mercantile Building and the current construction of Stockman's Bank to be completed in early 2017 that may need the Parking Commission's involvement. The level of involvement by MPC will depend on how these projects are developed and defined.

The Parking Commission will continue to work on its own strategic direction and, at the same time, while honoring the goals and vision of the Downtown Master Plan that will shape the future of Downtown Missoula.

3. To provide parking alternatives:

The MPC will continue to partner with other agencies to develop and support Transportation Demand Management (TDM) strategies that will facilitate affordable transportation, reduce the number of single-occupant vehicle trips and increase transportation options with the overall goals to provide greater access to the citizens of Missoula. Such as:

- Bicycle/Pedestrian Program
 - First Night Missoula shuttle
 - Market Service Partnership – MUTS (Trolley)
 - Missoula Downtown Association Out to Lunch shuttle
 - Missoula In Motion
 - Missoula Ravalli Transportation Management Association
 - Mountain Line – The Zero Fare Program
-

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . To perform a condition evaluation of all the parking facilities and make repairs w here necessary.	0%	25%	50%	40%
2 . To reach 100% occupancy in all of our monthly lease facilities.	0%	25%	95%	100%

Workload Indicators

Indicator	Actual FY 2014	Actual FY 2015	Actual FY 2016	Adopted FY 2017
1 . Number of tickets issued	30,308	36,773	34,355	36,000
2 . Revenue from tickets	\$ 228,240	\$ 212,846	\$ 157,959	\$ 200,000
3 . Number of special permits issued	297	307	491	305
4 . Revenue from special permits	\$ 16,606	\$ 18,718	\$ 21,542	\$ 18,000
5 . Number of RPPP permits	899	774	821	840
6 . Revenue from RPPP permits	\$ 13,245	\$ 13,011	\$ 13,488	\$ 12,500
7 . Number of RPPP tickets	2,097	1,921	1,967	1,900
8 . Revenue from RPPP tickets	\$ 27,060	\$ 24,100	\$ 24,391	\$ 24,000
9 . Meter revenue	\$ 462,909	\$ 500,728	\$ 713,017	\$ 870,000
10 . Lease parking revenue	\$ 642,929	\$ 696,207	\$ 803,900	\$ 662,600

Program Description

The Downtown Business Improvement District (BID) was created in 2005 through the efforts of the Missoula Downtown Association to address the challenges created by the termination of the Downtown Urban Renewal District (URD I). With 75% of the property owners supporting the BID, it was renewed in 2010 for a 10-year period. The BID serves as an advocate and service provider for property owners in the district and works to improve Downtown safety, cleanliness, marketing, business retention and recruitment, and both public and private investment in buildings and infrastructure. The BID's obligation is to ratepayers but the board members recognize the importance of working with business owners, employees and potential investors in Downtown.

Goals & Objectives

ADMINISTRATION

The Executive Director manages all existing programs, such as the Clean Team and Ambassadors, communicates with ratepayers, implements the Downtown Master Plan and develops a business retention and recruitment effort. The BID contracts with the Missoula Downtown Association (MDA) for rent and utilities.

The Downtown BID joins with the MDA and the Missoula Downtown Foundation (MDF) under the umbrella of the Downtown Missoula Partnership. While maintaining organizational independence, autonomy and identity, the Downtown BID of focused on serving the property owners, improving property values and improving effectiveness and efficiency for all ratepayers.

Objectives:

The BID continues to work on the following programs recognizing its needs may change as additional input and knowledge is available, these objectives are subject to change as the Board and ratepayers further define the priorities for the District.

1. Maintain an accurate database of ratepayers within the BID.
2. Maintain a formal system for communicating with ratepayers within the BID.
3. Oversee the activities of the Clean Team and Ambassador programs and refine them as appropriate.
4. Identify new programs and priorities for the BID based on input from the ratepayers.
5. Increase focus on economic development, including recruitment and retention of business downtown.

MARKETING

Maintaining a comprehensive marketing effort with the Missoula Parking Commission and Missoula Downtown Association remains a priority. It is important to continue to establish the BID's identity and mission throughout the community as well as downtown. In partnership with the MDA and others, the BID will continue to perform appropriate surveys of downtown constituents.

Objectives:

1. Continue to refine the purpose of the BID and identify the programs that will achieve that purpose.
2. Continue to refine the BID communication tools to best serve the needs of the ratepayers and serve as a forum for dialogue and dissemination of ideas.
3. The distribution of educational materials to ratepayers, elected officials, and the general public.
4. Continued work with business and property owners to identify marketing needs and develop programs and activities to address those needs.
5. Identify ways in which the BID can enhance the uniqueness of the downtown district through branding, graphics, signage, or other means.

6. Work with the MDA and the MDF to identify areas where the organizations can enhance each other's activities and efforts.
7. Development of a plan for the recruitment and retention of new and existing businesses.

STREETSCAPE/MAINTENANCE

One of the highest priorities of property and business owners is cleanliness and the appearance of the downtown streets and sidewalks. To highlight that priority, the BID created the Downtown Clean Team in 2006. The BID also purchased cigarette waste receptacles in 2007 and passed on the savings to businesses in an effort to minimize the amount of cigarette waste on the streets and sidewalks resulting from the state ban on smoking in bars and restaurants. Since inception, the Downtown BID has purchased 40 new trash receptacles, 3 benches, more than 15 tree grates/guards and refurbished all of the older trash receptacles owned by the City in an effort to provide better coverage and improve the appearance of the District.

BID Maintenance staff maintains a total of 64 trash receptacles residing in the Downtown BID. Fifteen recycle bins (aluminum & plastic) were installed over the winter and spring of 2010 and the BID is picking up recycling from the County Courthouse. Allied Waste has been donating the use of a recycle dumpster at West Front lot.

The BID and City of Missoula have a multi-year contract to take ownership of the city's 24 garbage cans and to pick-up and dispose of that garbage. A street maintenance person was hired in the fall of 2009 for this purpose as well as graffiti removal, sidewalk cleaning, snow & ice removal and other duties. A second street maintenance person was hired in June of 2013 to assist with those operations so that a maintenance person is working downtown 7 days a week as well as offering expanded services to all ratepayers.

Objectives:

1. Work with business and property owners, the MDA, and the MRA to further identify areas in which the BID can assist in achieving the goal of improving the cleanliness and appearance of downtown.
2. Refine the operation of the Clean Team to best serve the needs of the downtown property owners and businesses.
3. Coordinate with the MDA, the City, property owners, and business owners to improve the street environment through the use of place-making: planters, flower baskets, boulevard trees, banners, flags, holiday decorations, benches, trash receptacles, public art, and pianos.
4. Continue the program of phasing in streetscape improvements, as is being done with new trash receptacles on an annual basis.
5. Continue to evaluate the feasibility of accommodating recycling as part of the provision of new trash receptacles.
6. Continue to work with individual property owners to enhance the level of building façade maintenance.
7. Consider the initiation of a program that would provide the purchase of services to clean the outside of buildings.
8. Providing snow removal services for all Downtown alleys, the protected bike lanes on North Higgins, and Downtown property owners as a contracted service.

SAFETY

In addition to cleanliness and appearance, another high priority identified by property and business owners is safety and security in downtown. The BID created the Downtown Ambassador program in FY06 to improve the safety of the area through foot patrols, employee escorts, and hospitality services for visitors. The role of that program has been expanded to make the Ambassadors available to speak to civic groups and clubs to promote safety in the District and explain the role and mission of the BID. Ambassadors also provide additional hospitality services at public functions, including the Saturday Markets. Having two ambassadors during the peak tourism season allows for the provision of hospitality services and a focus on safety and security at the same time, thereby reducing crime and mischief. The BID has contracted with the City of Missoula for a dedicated Downtown Beat Patrol Officer since 2010. The program has expanded to full-time, year-round patrol. A second dedicated patrol officer is one of the primary goals for FY2017.

Objectives:

1. Monitor and refine the Downtown Ambassador Program to best address the needs of the downtown property owners and businesses.
2. Continue to work with the City Police Department to enhance efforts to increase safety in the area.
3. Work with the City, Northwestern Energy, and property owners to modify the street lighting to provide for improved lighting in the entire District, thus enhancing the safety and reducing the opportunity for vandalism after dark.

PLANNING, PROJECTS AND DOWNTOWN MASTER PLAN IMPLEMENTATION

The Downtown Master Plan was created in 2007-08 and approved by the Missoula City Council in August 2009. This 20-year community vision has been a key instrument for guiding Downtown growth in the areas of land use, circulation, employment, housing, parking, retail, and tourism. In partnership with several other organizations, the BID is responsible for implementation of the Downtown Master Plan.

Business Development

As with any agency or organization, it is impossible to anticipate all of the needs and budget accordingly. The Downtown BID Board has placed a portion of its anticipated revenues and carryover from FY2016 in the Planning and Downtown Master Plan expense category and anticipates identifying how those funds will be used after interacting with ratepayers, the City, the MDA, and the MRA as goals and programs are refined and developed. The BID Board also feels it is prudent to budget each year based on the prior year's revenue collection.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	300,000	439,800	275,000	431,315	(8,485)	-2%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 300,000	\$ 439,800	\$ 275,000	\$ 431,315	\$ (8,485)	-2%

* Un-audited numbers

Program Description – Work-plan

The Tourism Business Improvement District (TBID) was created through the efforts of the Missoula Area Convention and Visitor’s Bureau to aid tourism, promotion, and marketing within the District and allowing Hotels/Motels outside the City limits in the Missoula Urban area donate funds to the Tourism Business Improvement District.

TBID Strategic Plan

Goal: Increase four season revenues statewide through effective marketing and promotions, focusing on high-value, low-impact visitors

Strategy: Continue to work in partnership with the Missoula International Airport to bring key new service to Missoula and to work with the community to keep and strengthen our present service through:

- i. Partnership marketing campaigns with the Missoula International Airport to raise awareness of available air service and Missoula as a destination in our direct flight cities, as well as potential markets.
- ii. Work in partnership with the Missoula International Airport to pitch new air service to key target markets.
- iii. Work in partnership with the Missoula International Airport, Missoula Economic Partnership, city and county government, key organizations, private businesses and individuals to create a fund to be used for flight guarantees for new air service and as matching funds for grant applications by the airport.

Strategy: Destination Missoula and the TBID will partner to provide Public Relations services.

Strategy: Destination Missoula and the TBID will increase overnight visitation to Missoula with emphasis on the months of November through April, by concentrating marketing funds on the following areas:

- i. Meetings & Conventions
- ii. Sports & Events
- iii. Tour and Group Travel
- iv. Leisure Travel
- v. Culinary Travel

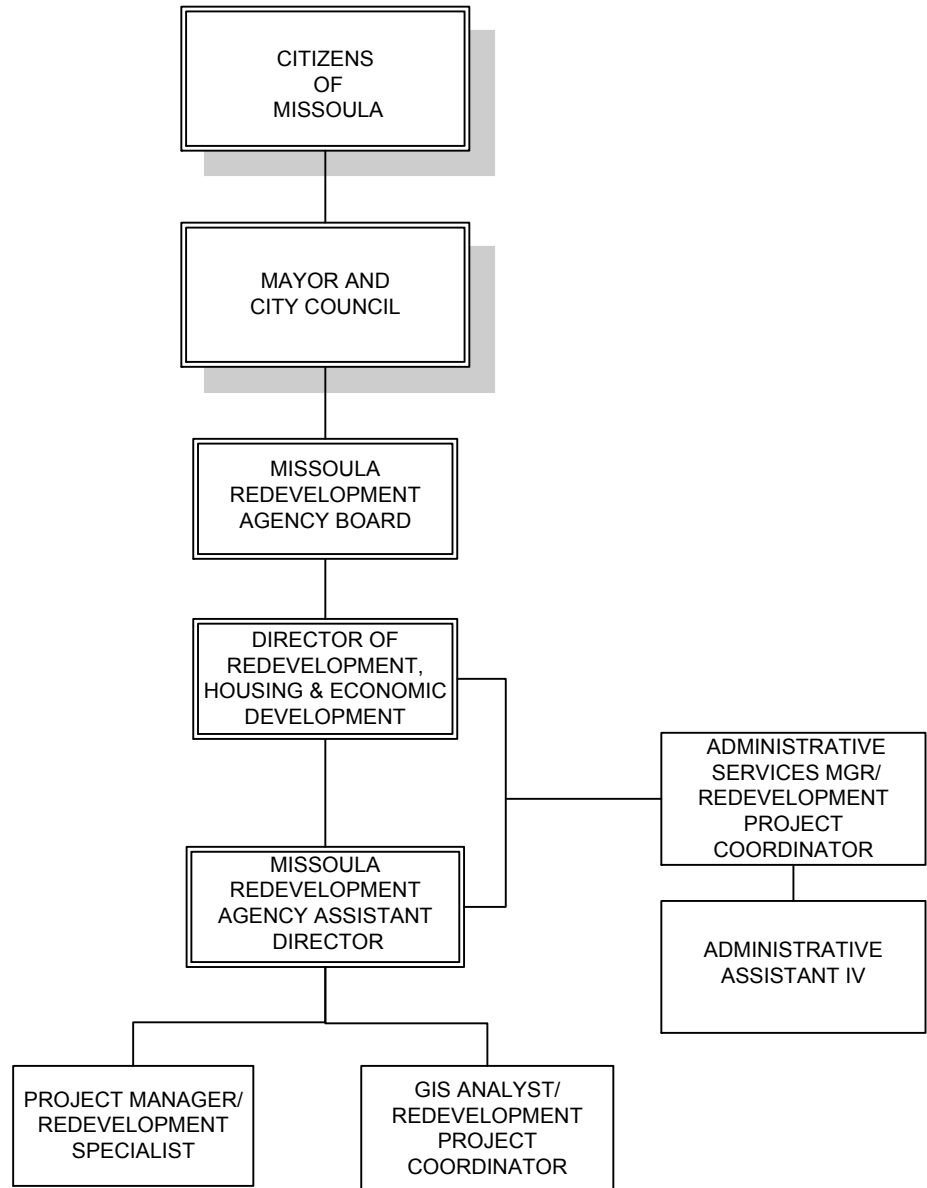
FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	680,350	-	296,713	(383,637)	-56%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 680,350	\$ -	\$ 296,713	\$ (383,637)	-56%

* Un-audited numbers



Missoula Redevelopment Agency



NOTE: MRA BOARD MEMBERS ARE APPOINTED BY THE MAYOR AND ARE APPROVED BY THE CITY COUNCIL

Program Description

The Missoula Redevelopment Agency (MRA) was created by the City Council to encourage new development and redevelopment pursuant to the adopted Urban Renewal Plans. Preserving existing public investment, enhancing the tax base, generating employment, and stimulating private investment are the means MRA uses to reclaim urban renewal areas. The MRA encourages infill development, provides for the adaptive reuse of the built environment, and reclaims blighted properties. MRA is empowered by State law and local ordinance to respond aggressively and with flexibility to redevelopment problems and opportunities. Through these activities, MRA also provides alternatives to urban sprawl outside existing municipal service boundaries.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: Improve the level of service to citizens in the two major Urban Renewal Districts (URDs) through funding of public improvements.
 - MRA has initiated programs to build sidewalks in URD II and URD III where they do not exist or are deficient. Over 13 miles of sidewalks have already been constructed with the goal of completing the sidewalk network in both districts within the life of those districts. Approximately \$6.4 M has been spent improving neighborhoods through the installation of sidewalks, curbs, street trees and repaved streets since MRA initiated the program. MRA is currently constructing a critical link in the Bitterroot Branch Trail in the form of a bridge over South Reserve Street.

Goal #2: Harmonious Natural and Built Environment

- Strategy: Improve the pedestrian experience through aesthetic improvements to the natural and built environment.
 - MRA has made a commitment to pay for the construction of Mary Avenue between Reserve and Brooks Streets through the Southgate Mall property. This will create a "complete street" with vehicular, bicycle and pedestrian amenities along with street trees and landscaping. Additionally, it will provide a safe, aesthetically pleasing connection to the Bitterroot Branch Trail. Further, the Agency is committed to major improvements to Brooks Street between Paxson and Reserve that will make the street more conducive to pedestrian and bicycle use. Lane widths will be narrowed, curb extensions and crosswalks will be built at the intersections, pedestrian scale street lights will be installed and street trees will be added to the sidewalks.

Goal #3 Quality of Life for All People in All Places

- Strategy: Continue efforts to encourage alternative methods of transportation through improvement of the pedestrian and bicycle networks throughout the urban core.
 - MRA is part of a working group striving to create a transit oriented corridor along Brooks Street from Reserve Street north through the use of land use designations, design guidelines, urban design standards and improved connectivity to neighborhoods, employment centers, shopping and trails. This effort combines both redefinition of the streets and the uses along the streets as well as the creation of an environment that is conducive to walking, biking and transit.
-

MRA Riverfront Triangle URD (7383)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	8,333	26,862	3,500	36,962	10,100	38%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 8,333	\$ 26,862	\$ 3,500	\$ 36,962	\$ 10,100	38%

* Un-audited numbers

MRA N Reserve/Scott St Clearing (7384)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	59,452	59,452	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ 59,452	\$ 59,452	

* Un-audited numbers

^Fund created in FY17

MRA Front St URD (7385)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	65,348	2,168	-	-	(2,168)	-100%
Miscellaneous	-	528,084	25,000	604,034	75,950	14%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	25,000	25,000	
Total	\$ 65,348	\$ 530,252	\$ 25,000	\$ 629,034	\$ 98,782	19%

* Un-audited numbers

MRA Safeway - St Pat's (7386)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	152,788	155,875	138,464	127,012	(28,863)	-19%
Capital Outlay	-	-	-	-	-	
Total	\$ 152,788	\$ 155,875	\$ 138,464	\$ 127,012	\$ (28,863)	-19%

* Un-audited numbers

MRA Revolving Loan Fund – Millsite – Brownsfield (7387)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	24,781	31,941	12,494	54,716	22,775	71%
Capital Outlay	-	-	-	-	-	
Total	\$ 24,781	\$ 31,941	\$ 12,494	\$ 54,716	\$ 22,775	71%

* Un-audited numbers

MRA Debt (7389)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	92	-	-	-	-	
Debt Service	1,171,566	1,171,916	278,198	676,312	(495,604)	-42%
Capital Outlay	-	-	-	-	-	
Total	\$ 1,171,657	\$ 1,171,916	\$ 278,198	\$ 676,312	\$ (495,604)	-42%

* Un-audited numbers

MRA URD II Clearing (7390)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	1,992,651	1,872,885	-	2,125,154	252,269	13%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,992,651	\$ 1,872,885	\$ -	\$ 2,125,154	\$ 252,269	13%

* Un-audited numbers

MRA URD II (7392)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	112,862	169,272	59,168	32,551	(136,721)	-81%
Miscellaneous	449,562	959,976	154,360	2,319,215	1,359,239	142%
Debt Service	-	-	-	-	-	
Capital Outlay	741,128	680,000	718,573	110,000	(570,000)	-84%
Total	\$ 1,303,552	\$ 1,809,248	\$ 932,100	\$ 2,461,766	\$ 652,518	36%

* Un-audited numbers

MRA URD III (7393)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ 446,349	\$ 500,829	\$ 277,970	\$ 540,273	\$ 39,444	8%
Supplies	3,507	9,126	3,265	9,126	-	0%
Purchased Services	546,782	531,018	725,484	955,343	424,325	80%
Miscellaneous	1,387,859	2,982,756	245,114	9,012,619	6,029,863	202%
Debt Service	-	-	-	-	-	
Capital Outlay	449,900	2,115,956	187,789	5,273,094	3,157,138	149%
Total	\$ 2,834,396	\$ 6,139,685	\$ 1,439,623	\$ 15,790,455	\$ 9,650,770	157%

* Un-audited numbers

MRA URD III Clearing (7394)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted ^FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	1,744,938	1,744,938	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ 1,744,938	\$ 1,744,938	

* Un-audited numbers

^Fund created in FY2017

MRA URD III Bond Sinking Fund (7395)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	343,200	343,200	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ 343,200	\$ 343,200	

* Un-audited numbers

MRA N Reserve/Scott St Bond Sinking (7396)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted ^FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	31,690	31,690	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ 31,690	\$ 31,690	

* Un-audited numbers

^ Fund created in FY2017

MRA N Reserve/Scott St URD (7397)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted ^FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	7,550	7,550	
Miscellaneous	-	-	-	20,212	20,212	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ 27,762	\$ 27,762	

* Un-audited numbers

^Fund created FY2017

MRA Intermountain Bonds Debt Service (7399)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	146,369	145,769	73,832	145,937	168	0%
Capital Outlay	-	-	-	-	-	
Total	\$ 146,369	\$ 145,769	\$ 73,832	\$ 145,937	\$ 168	0%

* Un-audited numbers

MRA Front St URD Clearing (7400)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	462,268	453,262	-	616,443	163,181	36%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 462,268	\$ 453,262	\$ -	\$ 616,443	\$ 163,181	36%

* Un-audited numbers

MRA Front St Parking (7401)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	116,134	-	-	(116,134)	-100%
Debt Service	123,484	30,000	128,885	206,340	176,340	588%
Capital Outlay	-	-	-	-	-	
Total	\$ 123,484	\$ 146,134	\$ 128,885	\$ 206,340	\$ 60,206	41%

* Un-audited numbers

MRA Front St Lien (7402)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2015	Amended FY 2016	Actual FY 2016*	Adopted FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	166,393	166,557	83,655	131,161	(35,396)	-21%
Capital Outlay	-	-	-	-	-	
Total	\$ 166,393	\$ 166,557	\$ 83,655	\$ 131,161	\$ (35,396)	-21%

* Un-audited numbers

City of Missoula Debt Management

Debt in a governmental entity is an effective financial management tool. Active debt management provides fiscal advantages to the City of Missoula and its citizens. Debt can serve several different purposes. It is useful in matching costs to benefits of public assets. It is useful as an economic development tool. It allows governments to build and acquire assets that would not otherwise be able to be built or acquired. Debt eliminates the need for governments to build up large reserve balances to build or acquire assets. In other words, debt is not something that should be avoided or eliminated. Rather, debt is something that should be used and managed effectively. Debt can be mismanaged, however. Over use of debt places a burden on the financial resources of the City and its taxpayers. Thus, it is important to create policies and follow practices to insure debt is used wisely.

Debt management is a critical component of the City of Missoula's financial operations. The City takes an active role in managing its debt. This is done through a variety of means including: debt management policies, bond ratings, comprehensive planning for future bond issues, and management of existing and proposed debt levels, and legal debt margins, and debt service payments. This section of the budget provides an analysis of each of these factors in addition to providing a detailed schedule of future debt service obligations of the City.

Major Bond Issues

Listed below is a brief description of the City's major outstanding bond issues, followed by a graphic overview of all outstanding debt of the City, by purpose.

- A. 2012A Aquatics GO Refunding Bond** - These bonds were refinanced in 2013. Originally issued in 2004 to construct the new aquatics facilities that were located at McCormick Park and Playfair Park as well as 4 splash decks around the city. The bonds were financed over 20 years. The bonds will be repaid with property tax revenue, specifically dedicated for that purpose. When the bonds have been repaid, the property tax levy will be discontinued. Interest rate varies from 1.5% to 2.25%.

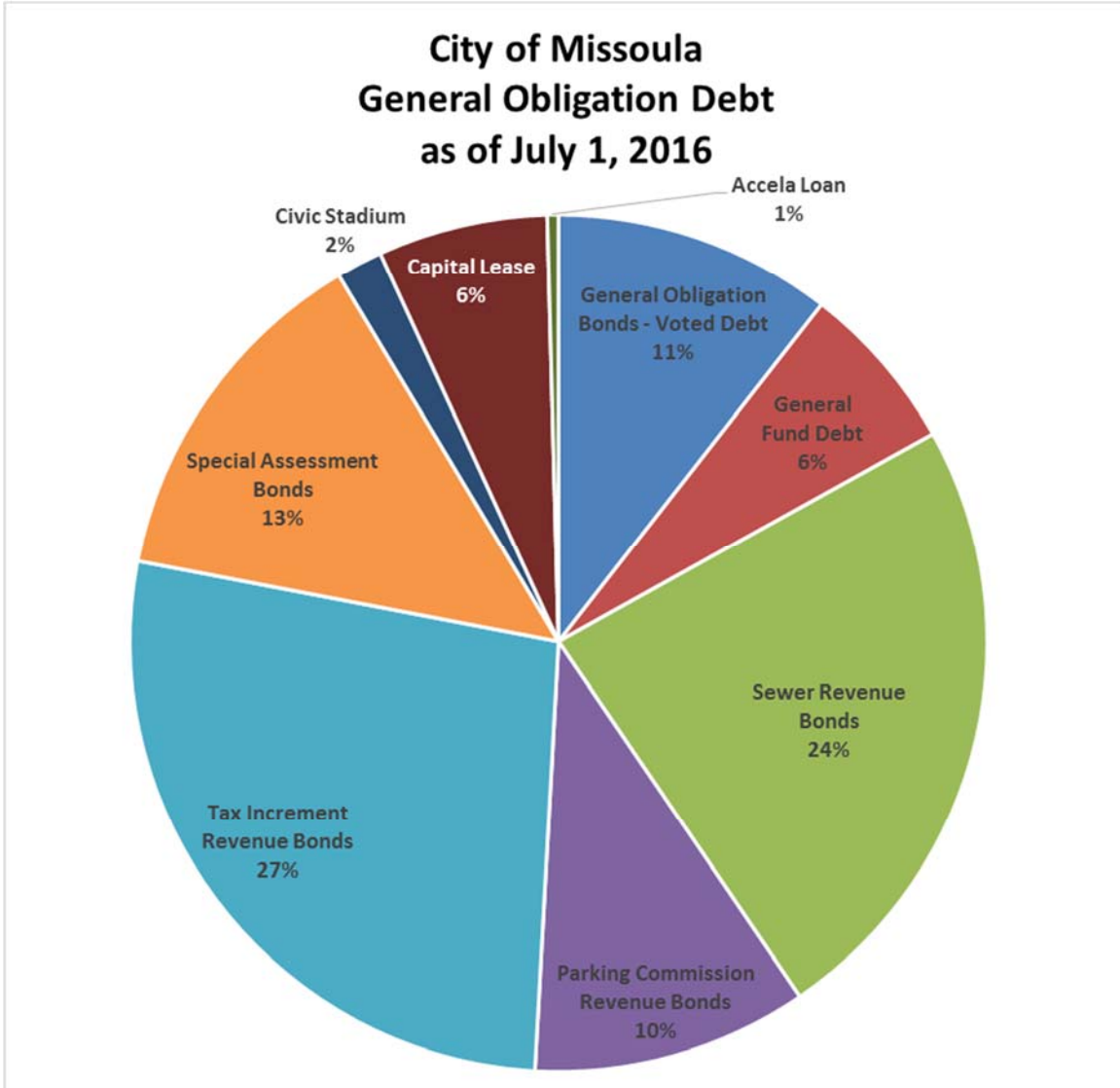
TOTAL FUND DEBT SERVICE EXPENDITURES = \$ 593,785

- B. 2013 GO Refunding Bond** – These bonds were issued on July 1, 2013 to provide funds for refunding the City's outstanding General Obligation Bonds, Series 2006 (partial advance refunding) and Series 2007 (full refunding). The bonds were financed over 20 years. The bonds will be repaid with property tax revenue, specifically dedicated for that purpose. When the bonds have been repaid, the property tax levy will be discontinued. The interest rate varies from 1.5% to 2.25%.

TOTAL FUND DEBT SERVICE EXPENDITURES = \$ 670,470

Outstanding Debt

Shown on the below is a pie chart which presents the City's current outstanding indebtedness by purpose. As shown by the graph, voted General Obligation indebtedness (for open space acquisition, public safety and recreation facilities) represents a substantial component of the City's debt and this reflects the priorities of the public and the City Council. Despite the several categories of outstanding debt reflected below, the City of Missoula actually has a relatively low level of outstanding debt, which is more fully described below.



At the end of the current fiscal year, the City of Missoula had a total of \$79,772,320 of long term debt outstanding of which \$72,931,682 was bonded debt. Of this amount, \$8,395,000 comprises debt backed by the full faith and credit of the government and \$10,693,500 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment, although this debt is collateralized with liens on the properties against which the debt is assessed. The majority of the remainder of the City of Missoula's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

DEBT MANAGEMENT

CITY OF MISSOULA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
General Obligation Bonds	\$ 8,395,000	\$ 7,305,000	\$ -	\$ -	\$ 8,395,000	\$ 7,305,000
Limited Obligation Bonds	5,100,000	3,765,000	-	-	5,100,000	3,765,000
Revenue Bonds	-	-	47,383,283	39,585,136	47,383,283	39,585,136
Sewer - Eko Compost Land	-	-	-	-	-	-
Spec. Assessment Bonds	10,693,500	11,320,500	-	-	10,693,500	11,320,500
Accela Loans & Notes Payable	336,190	242,822	1,392,863	1,178,500	1,729,053	1,421,322
Compensated Absences	5,132,603	5,132,603	243,848	356,991	5,376,451	5,489,594
Post Employment Benefits	2,233,930	2,233,930	138,849	229,009	2,372,779	2,462,939
Capital Lease	4,989,470	3,914,912	1,482,015	1,383,112	6,471,485	5,298,024
Total Outstanding Debt	\$ 36,880,693	\$ 33,914,767	\$ 50,640,858	\$ 42,732,748	\$ 87,521,551	\$ 76,647,515

The City of Missoula's total debt was decreased by \$11,177,339 (-14.01%) during the 2016 fiscal year, because more debt was paid off than new debt issued. The new debt of \$13,189,604 issued included \$1,646,954 of new capital equipment leases in the governmental fund and an additional \$1,400,000 for the Parking Commission. MRA issued debt for the newly established North Reserve/Scott St. renewal district. The total debt issued in the renewal district is \$5,184,084. \$4,360,002 was issued for improvements of which \$3,900,000 was for the construction of a new maintenance shop for Facility maintenance. The remainder \$460,002 was issued by the sewer fund to install a de-watering press. The remaining \$598,600 in debt was issued to cover the construction cost of installing sidewalk and curb for the prior two fiscal years.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.5% of its total assessed valuation. The current debt limitation for the City of Missoula is \$184,772,988, which is significantly in excess of the City of Missoula's outstanding general obligation debt. As of fiscal year end, the City of Missoula was only utilizing 4.5% of its legal, voted general obligation bond limit. In addition, the City was utilizing 11.4% of its legal debt limit for non-voted General Fund (limited obligation) debt.

DEBT MANAGEMENT

Debt Capacity – Legal Debt Margin

The schedule below provides a visual presentation of the city's projected debt capacity (legal debt margin) with any proposed new debt within the current fiscal year included. This reflects the philosophy of the City Council in holding down the level of debt on the taxpayers, despite the city's rapid development and growing population.

VOTED GENERAL OBLIGATION BOND

Maximum Allowable Debt - City of Missoula, Montana

Assessed Valuation: FY 17 Certified Market Value	7,390,919,522
Factor Allowed for Indebtedness	2.50%
Total Indebtedness Allowed	\$ 184,772,988
<u>Less Current Indebtedness:</u>	
2012A Aquatics Refunding	4,295,000
2013A Refunding Bonds	4,100,000
Intercap Equipment Loans	-
Total Current Indebtedness	\$ 8,395,000
Maximum Indebtedness Available (7-1-2016)	\$ 176,377,988
<u>Proposed Debt FY 17:</u>	
Total Proposed Debt	\$ -
Net Amount of Debt Available	\$ 176,377,988

Proposed Debt in the Next Five Years

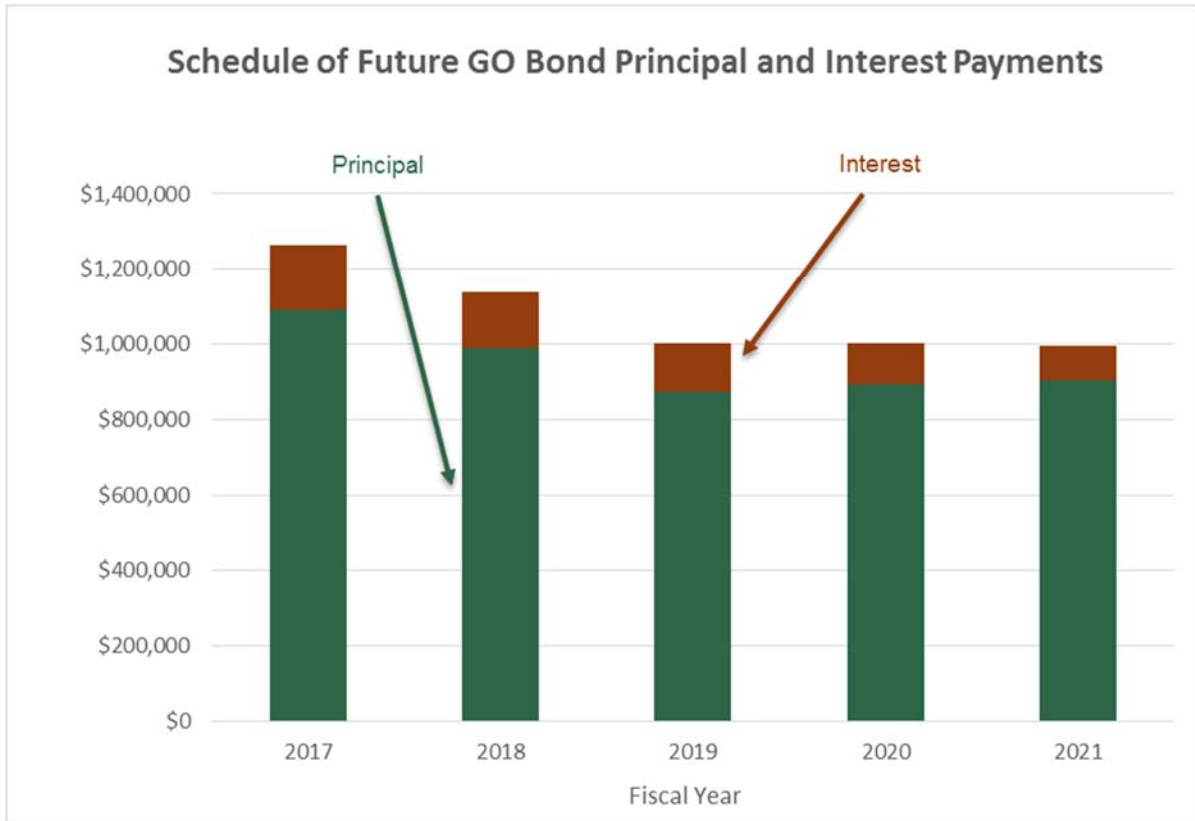
Listed below is a brief description of the city's proposed debt issuances, with the proposed debt amount, over the course of the next five year period. Following the narrative's description, is a graphic depiction of the City's current debt capacity and the proposed future debt will affect the remaining debt capacity for the City of Missoula. The graphic representation is a useful tool for the City Administration and City Council to utilize in reviewing and scheduling the timing of future projects that will result in a minimal tax increase to the citizens while providing needed infrastructure improvements.

- A. \$ 206,000 in Special Improvement District bonds for the Missoula Art Museum project. This assessment covers upgrading the curbs, sidewalks, drainage improvements, utilities and landscaping in part to meet current ADA standards and to create a public walk friendly block to be utilized for outdoor gatherings.
- B. \$5,555,723 combined in special improvement bonds for road and infrastructure improvements on increased use and aging right of way around Missoula. These future projects include reconstruction of: Old US Highway 93; Hillview Way, Lower Miller Creek Rd. Cregg Ln and Alder Street parking improvements.
- C. \$1,658,000 in special improvement bonds for the Hillview Way project. The scope of this project is to widen the road with curbs, sidewalk and drainage improvements from Black Pine to 55th Street due to increased use and new development on either side of the road.
- D. \$1,800,000 per year of special curb, gutter, sidewalk, and alley approach bonds to address aging infrastructure in the city that directly benefits the adjacent, abutting landowners.
- E. \$1,000,000 - \$2,500,000 per year of short term capital leases to replace aging vehicles, equipment and dated software.
- F. \$5,203,000 of General Fund debt to construct a vehicle storage facility, update locker rooms and restroom to meet the needs of an expanding Police Department. Of that \$5.2 million, \$700,000 is going towards updating and replacing expired and defunct Personal Protective Equipment (PPE) and less lethal equipment for the Special Teams.
- G. \$1,725,000 of General Fund debt to construct an alternative fuel site with central storage of bulk fuel in an effort to move towards decreasing the carbon footprint of the City of Missoula. .
- H. \$7,013,944 of planned redevelopment agency projects providing infrastructure in blighted areas of the city.

DEBT MANAGEMENT

Debt Service

The graph below shows the City’s principal and interest payments in the current budget year and five years beyond. As shown by the graph, principal payments and interest payments decline in four of the next five years. This reflects the declining debt level as the result of the scheduled payments the City will be making.



General Obligation Debt

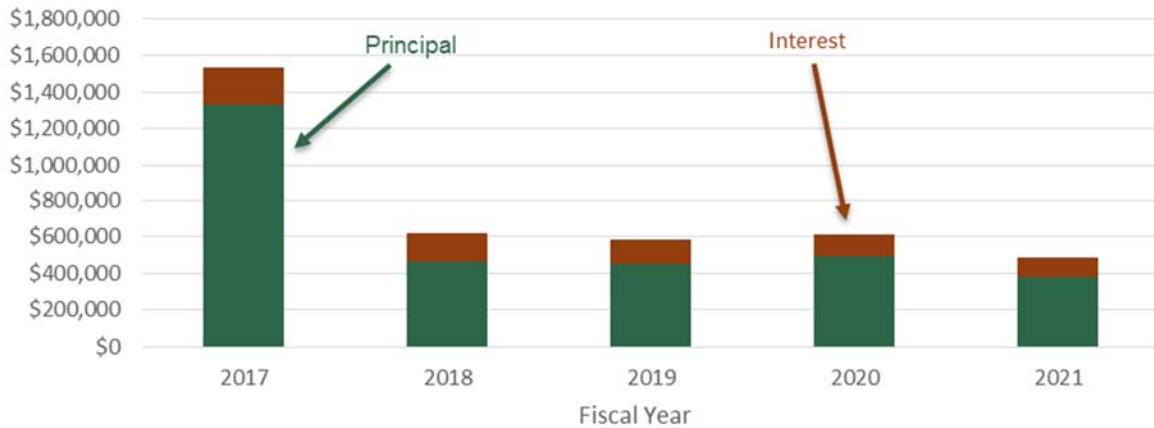
Year	2017	2018	2019	2020	2021
Principal	\$ 1,090,000	\$ 990,000	\$ 875,000	\$ 895,000	\$ 905,000
Interest	173,555	148,628	126,027	107,391	91,014
Total	\$ 1,263,555	\$ 1,138,628	\$ 1,001,027	\$ 1,002,391	\$ 996,014

Most major debt obligations for the City are typically structured with declining interest payments and increasing principal payments—thereby resulting in relatively level debt service payments over the life of the bonds.

In FY2017 there was a reduction in debt payments due to the maturing of the refunding bonds that were issued in FY 2013. The final payments to the bondholders resulted in a 2% reduction in property tax requirements. As you can see from the graph above, due to the lower interest rate of the refunded bonds, the annual obligation towards the debt service payments is on the decline. This decline will result in lower property taxes for all the citizens in Missoula related to debt.

DEBT MANAGEMENT

Schedule of Future Limited Obligation Bond Principal and Interest Payments

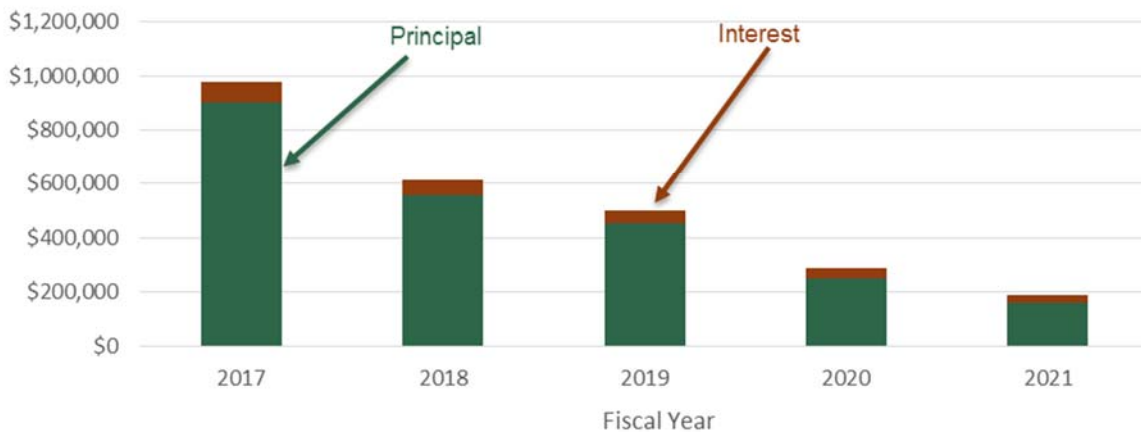


Limited Obligation Debt

Year	2017	2018	2019	2020	2021
Principal	\$ 1,335,000	\$ 465,000	\$ 450,000	\$ 495,000	\$ 380,000
Interest	201,373	152,275	137,913	121,188	108,713
Total	<u>\$ 1,536,373</u>	<u>\$ 617,275</u>	<u>\$ 587,913</u>	<u>\$ 616,188</u>	<u>\$ 488,713</u>

As can be seen in the table above, the General Fund's limited obligation debt service requirements will decrease approximately \$919,000 after FY 2017 and remain fairly constant over the next four years.

Schedule of Future Capital Lease Principal and Interest Payments - General Fund



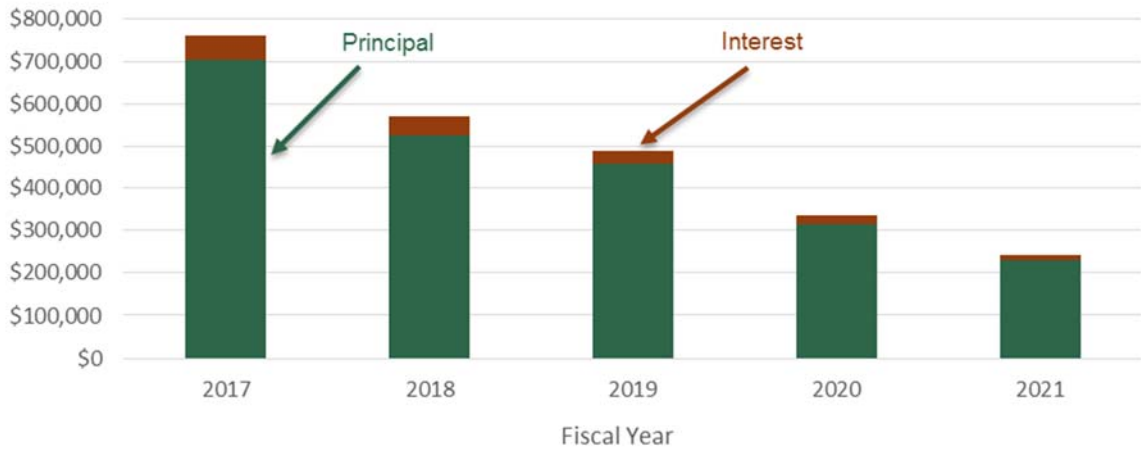
Capital Lease - General Fund

Year	2017	2018	2019	2020	2021
Principal	\$ 902,468	\$ 556,033	\$ 453,572	\$ 250,651	\$ 159,179
Interest	74,537	58,534	45,310	34,609	26,592
Total	<u>\$ 977,005</u>	<u>\$ 614,567</u>	<u>\$ 498,882</u>	<u>\$ 285,260</u>	<u>\$ 185,770</u>

The graph and table above illustrate the declining impact of future capital lease payment on the General Fund after FY 2017.

DEBT MANAGEMENT

Schedule of Future Capital Lease Principal and Interest Payments - Special Districts

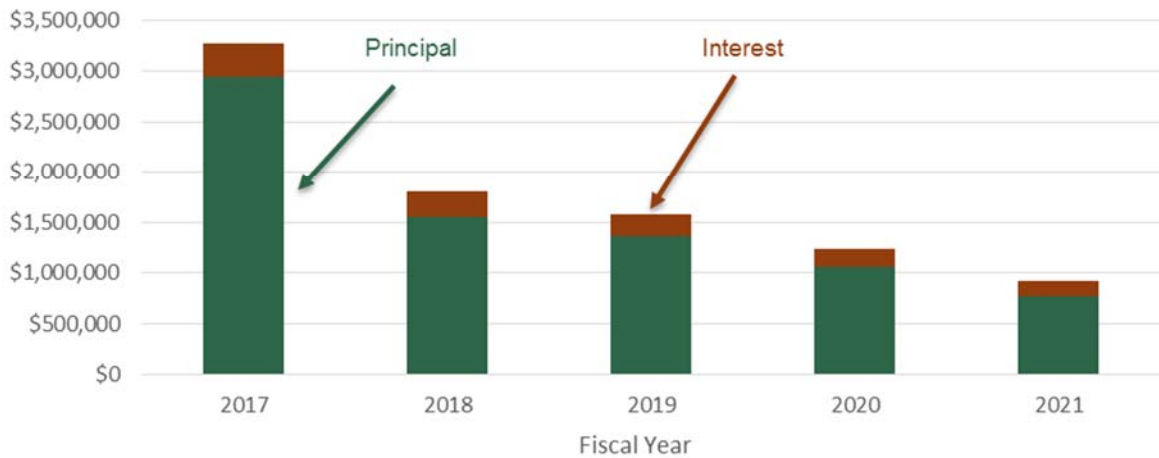


Capital Lease - Special Districts

Year	2017	2018	2019	2020	2021
Principal	\$ 702,346	\$ 526,967	\$ 458,390	\$ 313,019	\$ 230,018
Interest	57,622	44,077	31,926	21,111	11,727
Total	<u>\$ 759,967</u>	<u>\$ 571,043</u>	<u>\$ 490,316</u>	<u>\$ 334,130</u>	<u>\$ 241,745</u>

The graph and table above illustrate the declining impact of future capital lease payment on the Special Districts after FY 2017.

Schedule of Future General Fund Debt - All Types - Principal and Interest Payments



Total General Fund Debt - All Types

Year	2017	2018	2019	2020	2021
Principal	\$ 2,939,813	\$ 1,548,000	\$ 1,361,963	\$ 1,058,670	\$ 769,197
Interest	333,532	254,886	215,149	176,908	147,032
Total	<u>\$ 3,273,345</u>	<u>\$ 1,802,886</u>	<u>\$ 1,577,111</u>	<u>\$ 1,235,578</u>	<u>\$ 916,229</u>

When all of the various types of General Fund indebtedness are combined into one graph and table, as seen above, it is apparent that after FY 2017, each future year has a smaller debt service requirement than the preceding year. This fact, combined with reduced GO bond debt requirements after FY 2017, this will free up in excess of \$850,000 per year of tax supported projects. This information will be utilized as future budgets and

DEBT MANAGEMENT

capital financing needs must be addressed. All of these various financing mechanisms are used to pay for the cost of city infrastructure over time, as the benefit provided by maintaining our infrastructure is realized over time. This approach matches future costs with future benefits to be received. The bonding capacity will also be used in future planning of the City's needs such as additional space for expanding services, or for adding new services in areas of public safety that is an identified concern by the Mayor and City Council.

Bond Rating

Bond ratings reflect the relative strength of the city's financial management and planning capabilities and the quality of its elected and administrative leadership, as well as its wealth and social characteristics. Bond ratings serve as a statement of a locality's economic, financial and managerial condition and represent the business community's assessment of the investment quality of a local government. Highly rated bonds are more attractive and are more competitive in the market and thereby help lower interest costs paid by City residents. High-grade ratings reduce the cost of raising capital for City projects and a substantial savings for the City taxpayers.

The City of Missoula continues to seek ways to improve and maintain these ratings so as to provide the finest quality services and lowest cost. Concentrated efforts have been made to maintain and improve the City's "high-grade" ratings for its general obligation bonds through innovations in financial and debt administration. In May of 2014, Standard and Poor's of New York increased the assigned rating from AA- to AA+ for all of the City's outstanding voted GO debt. This rating upgrade was based on the City's continued economic expansion and management's maintenance of good reserve levels, very strong management at the City, strong liquidity, strong budget flexibility and performance, strong debt and contingent liabilities, and a strong and adequate institutional framework along with an ongoing stable outlook for the city.



AA+

The City of Missoula's "AA+" Bond Rating saves city residents thousands of dollars annually.

Quoted below are excerpts from the Standard & Poor's May 22, 2014 rating upgrade.

Credit Profile

Missoula Gen Fund Oblig Bnds
Long Term Rating

AA/Stable

Upgraded

DEBT MANAGEMENT

Ratings Detail (As Of May 22, 2014)

Missoula Gen Fund Oblig Rfdg Bnds ser 2010A		
<i>Long Term Rating</i>	AA/Stable	Upgraded
Missoula GO rfdg bnds		
<i>Long Term Rating</i>	AA+/Stable	Upgraded
Missoula Ltd Tax GO Bnds		
<i>Long Term Rating</i>	AA/Stable	Upgraded
Missoula GO		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Upgraded
Missoula GO (CIFG)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Upgraded

Rationale

Standard & Poor's Ratings Services raised its long-term rating and underlying rating (SPUR) on Missoula, Mont.'s unlimited-tax general obligation (GO) bonds to 'AA+' from 'AA-', based on its local GO criteria released Sept. 12, 2013. At the same time, we raised our long-term rating on the City's previously issued general fund GO bonds to 'AA' from 'A+'. The outlook is stable.

An unlimited ad valorem property tax pledge secures the GO bonds. Lease payments from Missoula secure the city's limited-tax general fund bonds.

The ratings reflect the following factors for the City, specifically its:

Strong economy

Missoula is in Missoula County and is the state's second-largest city, with a population estimate of 68,000. It serves as a regional trade and service center for an 11-county area with a population estimate of more than 350,000 in western Montana. The area economy has ties to health care, retail, and tourism-related activities. The city's local economy is, in our opinion, strong, supported by a broad and diverse economy and is home to the University of Montana. The economy has what we consider adequate income indicators: Per capita phased-in market value and projected per capita effective buying income are roughly \$101,600 and 88% of the national average, respectively. The county unemployment rate (2013) was 5.3%, according to the Bureau of Labor Statistics.

Very strong management

We believe Missoula's management conditions are very strong with "strong" financial practices under our Financial Management Assessment methodology, indicating practices are strong, well embedded, and likely sustainable. Key items include the monthly reporting of the city's financial position and investment performance to the governing body with procedures for budget adjustments in place if needed; management typically performs adjustments just once a year. Missoula has a comprehensive five-year capital improvement plan with identified funding sources, which it updates annually; the plan is linked to the operating budget via a five-year financial plan that management uses for internal planning purposes. Management updates the financial master plan during its annual budget process with identified possible out-year expenditure pressure. Officials have recently adopted formal ongoing debt management policies that include specific target debt level guidelines for various types of city-issued debt, as well as refunding targets and the use of derivatives, which the state is not allowed to use. The city also recently adopted a formal unreserved fund balance policy equal to 7% of general fund budgeted expenditures.

Strong budgetary flexibility

We believe Missoula's budgetary flexibility is strong, with available reserves at 10.7% of operating expenditures in fiscal 2013, equivalent to about \$4.7 million. Budgeted numbers indicate balance and therefore we don't anticipate a major draw on the city's reserves.

DEBT MANAGEMENT

Very strong liquidity

We believe very strong liquidity supports city's finances, with total government available cash to government fund expenditures and cash to debt service above 15% and 120%, respectively. Based on past issuance of debt, we believe that the issuer has strong access to capital markets to provide for liquidity needs if necessary. Initial numbers for 2014 indicate a balanced budget and therefore we don't anticipate a major change in the city's overall cash position. However, should cash fall slightly, we still view the city's access to external markets as strong, which would keep the city's overall liquidity assessment as very strong.

Strong budgetary performance

In our opinion, Missoula's budgetary performance is strong overall, with a surplus of 3.1% for the general fund and basically balanced results for the total governmental funds in fiscal 2013. Budget numbers indicate a close-to-balanced general fund. There are no projections for total governmental funds. Historically, total governmental funds have been either close to balanced or run small deficits. The budgetary performance results for 2014 are currently ambiguous, but we do not anticipate a substantial weakening in either fund.

Strong debt and contingent liabilities

We feel Missoula's debt and contingent liabilities profile is strong. Initially, the debt profile is adequate with about 9% of carrying charge and net direct debt 50% of revenue. The city also anticipates issuing additional debt in the medium term. However, offsetting an increase in the debt burden is rapid amortization with more than 65% of debt amortized in 10 years and a low overall debt level at less than 3% of market value. Missoula participates in the state's pension program, and it has contributed the annual required contribution payments each year. The city's 2013 contribution represented 5% of total governmental expenditures.

Adequate institutional framework

We consider the Institutional Framework score for Montana municipalities strong.

Outlook

The stable outlook reflects our opinion of Missoula's very strong financial flexibility, supported by strong financial performance and very strong liquidity. In our opinion, the city's very strong management provides additional stability to the rating.

Investment Policy

The investment of capital funds is incorporated into the City's cash management program. All unexpended bond proceeds are deposited into a consolidated treasurer's account and invested with other funds in order to obtain maximum earnings. The segregation of each project's equity is preserved and reported separately.

Interest earned on capital funds during the construction period is credited to the respective project's fund or enterprise fund wherein the debt service is paid.

Management of Debt and Equity Funding of Capital Needs

An integral part of the City's financial strength has been to aggressively take advantage of the marketplace and refund outstanding debt, thereby reducing interest expense while using excess surpluses wisely to equity fund (pay with cash) capital project expenses and to fund depreciation of capital assets. This actively managed debt program allow us to pass along savings from the refunding of outstanding debt along to the taxpayers through reductions in the tax rates.

Debt Management Policies

The City of Missoula has developed a set of financial management policies that cover all aspects of its financial operations. Policies on debt management are one component of those financial policies. All of the City's financial management policies on included in the Executive Summary. Listed below are excerpts from those policies, which relate specifically to debt management.

Restrictions on Debt Issuance

- 1) **Repayment of Borrowed Funds.** The city will repay borrowed funds, used for capital projects, within a period not to exceed the expected useful life of the project. This policy reflects the view that those residents who benefit from a project should pay for the project. Adherence to this policy will also help prevent the government from over-extending itself with regard to the incurrence of future debt.

Limitations on Outstanding Debt

- 1) **Reliance on Long-Term Debt.** The City will limit long-term debt to capital improvements which cannot be financed from current revenues. Incurring long-term debt serves to obligate future taxpayers. Excess reliance on long-term debt can cause debt levels to reach or exceed the government's ability to pay. Therefore, conscientious use of long-term debt will provide assurance that future residents will be able service the debt obligations left by former residents.
- 2) **Debt Not Used for Current Operations.** The city will not use long-term debt for financing current operations. This policy reflects the view that those residents who benefit from a service should pay for the service. Utilization of long-term debt to support current operations would result in future residents supporting services provided to current residents.

Debt Refinancing

- 1) **General Refinancing Guidelines.** Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancing's will be considered (within federal tax law constraints) under the following conditions:
 - There is a net economic benefit.
 - It is needed to modernize covenants that are adversely affecting the City's financial position or operations.
 - The City wants to reduce the principal outstanding in order to achieve future working capital to do so from other sources.
- 2) **Standards for Economic Savings.** The federal government has placed significant conditions on the tax-exempt refunding of outstanding issues. Refunding's have two general categories:
 - Current refunding's, where the refunding bonds are settled within 90 days of an optional prepayment date; and
 - Advance refunding's, where refunding's are settled more than 90 days in advance of an optional prepayment date. The federal restrictions are that any issue can only be advance refunded once on a tax-exempt basis.

On advance refunding's the City will seek to obtain a minimum present value savings level of 3% of the present value of refunded debt service. State law requires a demonstration of savings of 0.5% reduction in the average coupon interest rate between the refunding and refunded bonds.

The complete debt management policy for the City of Missoula can be found in the appendix to this budget document.

OVERVIEW

The Montana Legislature has passed legislation which allows a municipality to set aside a portion of its general all-purpose levy for replacement and acquisition of property, plant or equipment costing in excess of five thousand dollars (\$5,000.00) with a life expectancy of five (5) years or more.

To set up a capital improvement *fund* the City is required to formally adopt a *Capital Improvement Program (CIP)*. The main advantage of this method of financing is that funds can be earmarked and carried from one year to the next. If it is recognized that renovation of a public building will be needed in five years, an amount can be set aside annually so the project can be funded at the end of five years. The CIP fund also allows a project to be done in phases, with funds allocated for architectural planning the first year and construction in later years.

The Capital Improvement Program is a 5-year planning document designed to guide decisions concerning capital expenditures and not cast in stone. This is a planning document and, as for all planning documents, it is subject to revision in order to reflect changes in community needs and service requirements, environmental factors and Council priorities. The first year of the Plan is intended to accurately reflect that year's anticipated appropriation for major capital projects and is called the *Capital Budget*. The subsequent four years represent an anticipated capital need during the period as submitted by Department Heads. The CIP must be reviewed and revised each year in order to add new projects and revise priorities.

The process of determining major capital needs and establishing a financial program extending beyond the annual budget encourages department managers to examine long-range needs and allows the City to develop more coherent city-wide fiscal policies. The CIP provides a basis to compare and rank projects and provides opportunities to explore alternate funding sources, since most capital improvement requests exceed the available revenues. The Council will be requested from time to time to make revisions to the plan. Staff, as well as Council members, may develop these requests themselves.

The capital budget is separate and distinct from the City's operating budget for several reasons. First, capital outlays reflect non-recurring capital improvements rather than ongoing expenses. Where possible, capital projects are funded from nonrecurring funding sources such as debt proceeds and grants; these one-time revenue sources are not appropriate funding sources for recurring operating expenses. Second, capital projects tend to be of high cost in nature, requiring more stringent control and accountability. To provide direction for the capital program, the City Council has adopted policies relating to the Capital Improvement Program and the Capital Budget, which are discussed later in this section.

CIP PURPOSE

The purposes of setting up a five- (5) year Capital Improvement Program are:

- To ease the review of the annual capital budget through a uniform process.
- To broaden public participation in the budget process by providing documentation and scheduling hearings early in the process.
- To link capital budgets with the strategic plans, adopted policies, and other plans.
- To link capital expenditures with operating budgets.
- To increase coordination between departments, agencies, and other political jurisdictions.

LINKAGE

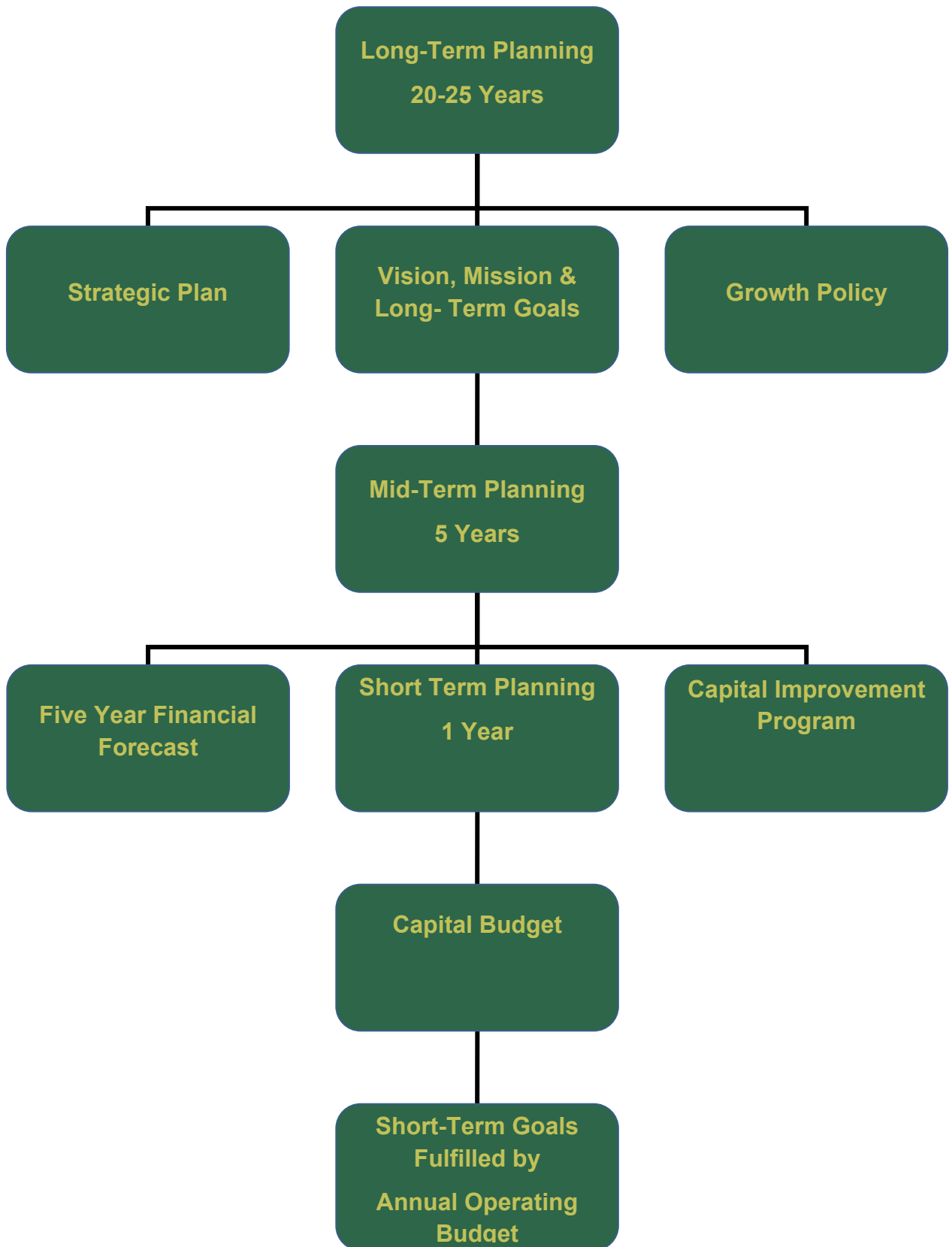
The City of Missoula conducts various planning processes (long-term, mid-term and short-term), to help guide the government and to insure that decisions are made in the context of the organization as a whole and with a long-term perspective. Diligent efforts are made to insure each of these component planning processes are in concert with one another. This so called “Linkage” is paramount to insure short-term decisions are consistent with the overriding values embodied in the mid-term and long-term planning processes adopted by the City Council. This required linkage dictates that the CIP be developed within the context of and consistent with, the City’s long-term and mid-term plans.

One area of linkage between the City’s future capital requirements has to do with the level of future debt service, including the debt supported by the General Fund and General Obligation debt supported by taxes. The Debt Management section of this budget reviews the future debt service requirements in these two areas. As discussed in that section of this budget document, after FY 2017, each future year has a smaller debt service requirement than the preceding year for the General Fund and the voted GO debt service. Eventually, after FY 2017, in excess of \$850,000 per year of tax supported projects may be freed up for future debt service requirements. Additionally, new revenue streams, the road and park special district assessments have been approved and developed by the City Council during the past four years. These special district assessments will be used to further enhance and support the City’s infrastructure needs in their designated areas. Both the declining future debt service requirements and the availability of a new funding stream will provide more flexibility for the City in future budgets in the Capital Improvement Program that is tax supported.

Each element of the City’s planning process has a different purpose and timeframe. The Strategic Plan, Vision, Mission, Long-term Goals and Growth Policy are the most far-reaching in nature — 20 to 25 years. The Capital Improvement Program and the Five-Year Financial Forecast are mid-term in nature — 5 years. The Annual Budget and the Capital Budget are short-term — covering a 1 year timeframe. The most important requisite is that they are coordinated and are in concert with one another.

Shown on the following page is a hierarchy of the City’s layered planning processes, all which support one another and are designed with a common goal. The chart depicts how the Capital Improvement Program, the Annual Operating Budget, and the Capital Budget fit within the City’s planning process hierarchy.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET



CAPITAL PLANNING

Capital Planning refers to the process of identifying and prioritizing City capital needs for determining which capital projects should be funded in the capital budget as resources become available. Citywide planning is guided by the City's Strategic Plan and the Growth Policy. These plans provide long term direction for the growth and development of the City.

Proposed capital projects are reviewed for compliance to the adopted Strategic Plan and Growth Policy as part of the budget adoption process.

PROCESS

General Discussion:

The capital improvements process provides for the identification, reviewing, planning, and budgeting of capital expenditures.

All requests for capital improvements are evaluated to aid the Mayor and City Council in selecting the projects to be funded. Department heads submit CIP requests. Departmental staff initiates some of these projects while other organizations; citizen groups and individual citizens initiate others. Evaluation is based on a point system, which requires the department head to judge how well the project in question satisfies each of several criteria. The process is designed to provide a comprehensive look at long term capital needs, which is essential for effective decision-making. However, the system is not intended to provide an absolute ranking of projects based solely on the total numerical scores. A few points difference between total scores of projects is not the only significant factor in determining priority. In addition, there are several criteria, which are considered separately from the point system. For example, if a project was urgently required in order to replace an existing dilapidated facility, it would probably be scheduled for early funding regardless of its score on other criteria. Also, there is a question, which asks the evaluator's overall personal judgment of a project's priority, and helps to identify which proposals are considered most important.

This ranking process allows projects to compete for funds either within its own fund source or citywide. If the department's request only includes capital expenditures which are proposed to be funded out of its own non-tax revenue generated by that department, the projects compete within that department for inclusion within the plan, (for example, wastewater treatment plant projects are funded by Sewer Fees, etc.). However, if the request is outside of the department's ability to generate revenue, i.e., a request for assistance from the General Fund, then the project would compete on a citywide basis for funding.

The adoption of a CIP by the City is strictly a statement of intent, not an appropriation of funding for projects contained within. A list of CIP projects will be updated on an annual basis as new needs become known and priorities change. The possibility of a project with a low priority can remain in the CIP longer than four years due to a more important project bumping ahead for quicker implementation. Some projects may also be bumped up in priority and implemented quicker than originally planned.

Definitions:

For the purposes of this process, capital is defined as items that have a single acquisition cost of \$5,000 and a useable life of 5 years. Basically, this definition implies that those items, which can be clearly classified as major improvements, rather than routine maintenance or equipment replacement, are defined as capital for the purposes of this program. It includes any major expenditure for physical facilities. Vehicles intended for use on streets and highways, costing less than \$35,000 are **not** included in the CIP.

2017-2021 Capital Improvement Program

1. Recommendation for 2017-2021 Capital Improvement Program:

When possible department heads must, where appropriate, look at the City's Strategic Plan, the most recent Comprehensive Plan Update and amendments, Themes Document, Transportation Plan, Strategic Plan and other plans and documents or studies to determine if their projects are meeting the community's goals, and make a statement of their findings.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

2. The Project Rating System:

When considering a department's proposal(s) the CIP Budget Team will meet with each Department and Division Head. The purpose for this meeting will be: 1) to assure that both the Department and Division Head and the CIP Budget Team are fully briefed on the department's proposal(s); and 2) discussion between the CIP Budget Team and the Department and Division Head regarding how proposal(s) are rated.

3. Coordination:

Department and Division Heads are encouraged to coordinate project proposals with internal departments as well as external agencies such as: the County, the Neighborhood Network and Councils, the Chamber of Commerce, the University of Montana, the School Districts and other community based organizations.

4. External Projects:

Projects initiated by external organizations, citizens groups and individual citizens will be given to appropriate Department Heads after submittal to the Finance Department.

Annual Review

The CIP is reviewed on an annual basis. During this annual review process projects budgeted for the prior fiscal year are reviewed to determine status and whether to continue funding or require re-submittal to compete as a new project. New projects are added to projects carried over from the prior two years according to ranking or priority.

Responsibilities for Program Development

Before a project reaches the Mayor and City Council for FY 2017-2021, each project should be reviewed for financial feasibility, conformance to established plans and response to public need. Responsibility to coordinate with the appropriate department project proposal(s) requiring review for engineering feasibility, environmental impact, land use regulations, grant eligibility and redevelopment plans falls to the Department and Division Head submitting those project proposal(s).

1. Department Heads

- a. Prepare project request forms.
- b. Provide all necessary supporting data (project sheets, maps, environmental data forms, fiscal notes, schedules, etc.) for the CIP Committee.
- c. Review projects with other department heads when there is a need to coordinate projects.
- d. Meet with CIP Team on projects.

2. Public Works

Review feasibility and cost estimates of all proposed public works type projects including preparatory studies.

3. Health Department

As appropriate, review all projects for environmental impact.

4. Development Services

Review all projects for conformance with the Transportation and Land use Plan, and whether projects being submitted for grants meet grant eligibility criteria and determination of which projects will compete best for competition grants.

5. Missoula Redevelopment Agency

Examine all projects that relate to the Missoula downtown redevelopment area to see that they correspond to Missoula redevelopment plans.

6. CIP Team

- a. Review revenue estimates.

- b. Review fund summaries.
 - c. Provide overall coordination for development of the CIP.
 - d. Review departmental requests and staff comments.
 - e. Review priorities, staff advice, and recommended additions, adjustments, or deletions.
 - f. Review financial data and recommend proposed plans for financing CIP.
7. Council Members
- Requests that department heads prepare project forms for projects they feel should be considered.
- Update, review and approve CIP annually.

Method for Ranking Projects

1. **STEP 1** - The CIP Committee establishes the importance of one criterion over another by assigning the highest numerical score to the highest ranked criteria. This is called the weight factor.
STEP 2 - The department's criteria score is multiplied by the weight factor to establish a total score. The weight factor broadens the range of total scores and assigns priorities to the criteria. The total score will help determine the relative importance of one project over another in a systematic way.
STEP 3 - The department heads rate the capital projects according to the established criteria. All departments use the same criteria.
STEP 4 - Determine that projects are urgently needed for public safety or are mandated legally or by a contractual agreement. (See criteria PI-4 on sample CIP form)
STEP 5 - Determine scheduling of projects relative to allocation of available funds.

2. Rationale for Weight Factor Determination

The weighted score is assigned to each criterion by a method, which measures each criterion against every other criterion. When one criterion is more important than another it is assigned a point. The criterion with the most points (most important) is given the highest weight. For example Criterion 05 (Does the project result in maximum benefit to the community from the investment dollar?) has the highest weight score. The following discussion explains the method by which the criteria were given a weight score. For Street Reconstruction projects, blocks considered to need reconstruction in the next five years are first rated according to the Asphalt Institute Pavement Rating System. Streets planned for reconstruction in the CIP budget year are then assigned a priority ranking utilizing the Asphalt Institute Pavement Rating System.

Definition of Criteria:

1. Is the project necessary to meet Federal, State, or local legal requirements? This criterion includes projects mandated by Court Order to meet requirements of law or other requirements. Of special concern are those projects being accessible to the handicapped.
2. Is the project necessary to fulfill a contractual requirement? This criterion includes Federal or State grants that requires local participation. Indicate the Federal grant name and number in the comment column.
3. Is this project urgently required? Will delay result in curtailment of an essential service? This statement should be checked "Yes" only if an emergency is clearly indicated; otherwise, answer "No." If "Yes," be sure to give full justification.
4. Does the project provide for or improve public health or safety? This criterion should be answered "No" unless public health or public safety can be shown to be an urgent or critical factor. If yes, please describe the public health or safety urgency.
5. Does the project result in maximum benefits to the community from the investment dollar? (Equipment and small projects should be related to larger program goals.)

Use a cost/benefit analysis, and/or another systematic method of determining the relative merits of the investment where it is appropriate. You may develop your own method of analysis; however, you may wish to review this method with the Finance Director or CIP Team prior to submitting the project

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

in order to resolve any questionable elements. Leveraging of city money by attracting outside dollars from other public or private sources should be considered and explained.

Examples include when a project may be eligible for a federal or state grant where every dollar of City money will be matched by three dollars of federal monies. Another example would be when a piece of equipment is purchased; it may increase productivity by fifty percent (50%) and thereby reduce personnel and operating costs. This enables the City to avoid additional personnel or operation costs that would have been incurred otherwise in order to keep up with growing public service demand. Another example would include the acquisition of equipment so that a particular operation could be performed in-house as opposed to contracting outside when the in-house costs would be less than outside contracting costs.

Types of analyses include established cost/benefit calculations, return on investment, and payback period through operating savings or other capital savings, and accepted industry rating schemes such as The American Asphalt Institute test. Also, estimate the number of people served over the life expectancy of the project and divide by the cost of the project. Relate this to other similar projects. Put this figure in the comment section and attach the information used to arrive at the figure. Where possible use standard measurements, for example, average daily trips (ADT).

This criterion also applies to the replacement or renovation of obsolete and inefficient facilities, which will result in substantial improvement in services to the public at the least possible cost.

- 0 – No analysis is submitted where analysis is possible.
- 1 – Analysis submitted is open to questioning. There are slight benefits to the project and no leveraging.
- 2 – A credible analysis is submitted showing moderate benefits.
- 3 – A credible analysis is submitted showing high benefits, which may include substantial leveraging.

6. Does the project require speedy implementation in order to assure its success of maximum effectiveness? (Equipment and small projects should be related to larger program goals.)

- 0 – Time is not a critical factor (i.e., the project will be as worthwhile doing five years from now as it is now).
- 1 – Time is of moderate importance.
- 2 – Time is of substantial importance.
- 3 – Time is critical factor.

For example, there may be a time limitation on providing a local funding share in order to receive a State or Federal grant. Another example would be if an improvement or replacement project is not performed now, such as replacing a roof, the benefits will be reduced, such as an unrepaired/replaced roof that continues to leak until the building's structure is rotted until there is no structure that can be saved. A third example would be when a hazard, such as environmental pollution, exists and there is an increasing and significant risk that, if the hazard is not abated, then it is likely that significant or irreparable damage occurs or the City might be financially liable for the consequential damage. There may be other reasons why time is of the essence in the success or failure of a project. If the time factor is critical, explain why.

7. Does the project conserve energy, cultural or natural resources, or reduce pollution?

- 0 – Does not have any conservation aspects or pollution reduction.
- 1 – Project has minimal amount of conservation aspects or pollution reduction, or there is no substantiation of the claims of these benefits.
- 2 – Project has significant level of either conservation aspects or pollution reduction, or an accompanying analysis or reference to another study, or plan substantiates this benefit.
- 3 – Project has both conservation aspects and an accompanying analysis or reference to another study, or plan substantiates pollution reduction or a substantial amount of energy or pollution savings and this claim.

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8. Does the project improve, maintain or expand upon essential City services where such services are recognized and accepted as necessary and effective? Identify in comment section what services are expanded. (Provision of a new service can be ranked anywhere on 0-2 scale).
 - 0 – Low to moderate improvement in low to moderately important service.
 - 1 – Maintain current level of service, substantial improvement of low priority service or moderate improvement of an essential service.
 - 2 – Substantial improvement of an essential service.
9. Does the project relate specifically to the City's strategic planning priorities or other plans?
 - 0 – Project enhances another plan, project or program aside from the strategic plan or does not conflict with any other plans, projects or programs (Note plan, project or program related to in comment section.)
 - 1 – Project enhances any of the strategic directions as determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.
 - 2 – This project substantially benefits any of the strategic directions to any of priorities as determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.
 - 3 – This project is critical to any of the strategic directions determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.

2017-2021 Guides for Department Heads in Preparing Information on Projects

Process

1. Requests for all City Hall building construction needs should be sent to the Public Works Director. Please include the following information: the square footage, the number of people affected and the function of the people affected. Also note the problem with the existing space.
2. Submit project forms to the Finance. If there are any organizations in Missoula that you wish to be sure get a copy of the preliminary list, please submit their names and addresses with your projects.
3. All new requests for vehicles and equipment are to be added to the vehicle and equipment replacement program list after review from the vehicle maintenance manager.
4. Present a list of projects that might be included in the Capital Improvement Program after 2017.

Filling Out Forms

1. Only projects requesting funding during the first three years of the CIP will be evaluated with the criteria and ranked. The other projects are included for planning purposes without expressing intent to fund or not fund.
2. Be sure that all information asked for on the form is presented. If further explanation is needed, please attach it to the form.
3. If there is a need to coordinate one project with another project either internal or external, note and explain the need for the coordination in Part 5 of the form (Justification). Attach additional information when necessary.
4. In the justification section (Part 5) of the form explain your choice of a particular funding method(s). Also include a justification for your project and its relation to the criteria.
5. Section 7 of the form should reflect funding sources (include operating budget/in-kind contributions) your totals should equal the total cost of the project, not just the cost to the City.

DESCRIPTION OF PROGRAM CATEGORIES

The capital budget is broken down into the following categories:

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

- **CS** – Community Services (includes public buildings, etc.) e.g., renovation and energy improvements as well as new construction
- **PR** –Parks, Recreation and Open Space
- **S** –Street Improvements
- **PS** –Public Safety
- **WW**– Wastewater Facilities
- **SE** –Street Equipment

CIP AMENDMENT PROCEDURE

In the case of a situation that arises which involves receipt of unanticipated revenue or unanticipated Missoula Redevelopment Agency projects the following amendment procedure is prescribed:

1. Department head requests an amendment to the CIP through the Finance Director.
2. CIP Team reviews the request.
3. CIP Team takes the request to all department heads for comments.
4. CIP Team makes recommendation to Council.
5. Amendment goes to Council for approval.

The purpose of this procedure is to handle large capital requests, which occur at mid-fiscal year and to adjust the CIP so that it remains up-to-date and therefore a useful working document.

TAX INCREMENT FUNDS

The unique nature of tax increment funds is recognized. The Missoula Redevelopment Agency undertakes capital expenditures, which are intended to encourage additional private investment within the Central Business District. Not all of these expenditures are committed a year or more in advance and they require the ability on the part of the Missoula Redevelopment Agency (MRA) to respond promptly to developer requests.

Pursuant to the purpose of the CIP all anticipated projects to be funded in part or totally with tax increment funds for acquisition of property and public works facilities will be placed in the CIP. Tax increment funds not committed or anticipated for specific projects within these budget categories will be appropriated as contingency funds, and be made available for authorized expenditures under State law. For project requests made during the fiscal year, which require tax increment financing, the CIP amendment procedure described in Section V shall be used.

The following project categories may be financed with tax increments funds and will not be subject to the CIP process: demolition and removal of structures, relocation of occupants and cost incurred under redevelopment activities described under MCA 7-15-4233. Section MCA 7-15-4233 outlines the exercise of powers and costs incurred for planning and management, administration and specific urban renewal projects, i.e., rehabilitation programs.

CAPITAL IMPROVEMENT PROGRAM FUNDING MECHANISMS

The FY 2017-2021 Capital Improvement Program has seventeen different sources of funding. Each funding source is described below.

The various projects submitted by the departments are scored and ranked as shown in the statistical charts in Section IV. Projects within each fund source compete against other projects in that fund source for funding.

As noted before, capital projects, unlike operating expenses which recur annually, only require one-time allocations for a given project. This funding flexibility allows the City to use financing and one-time revenue sources to accelerate completion of critical projects.

All potential capital funding resources are evaluated to ensure equity of funding for the CIP. Equity is achieved if the beneficiaries of a project or service pay for it. For example, general tax revenues and/or General Obligation Bonds appropriately pay for projects that benefit the general public as a whole. User fees, development fees, and/or contributions pay for projects that benefit specific users.

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General Fund Tax Levy:	The City of Missoula sets aside a portion (amount varies from year to year) of its General Fund Tax Levy for projects in a Capital Improvement Program (C.I.P.).
Cash Balance:	This fund source is a contribution of the City's general fund cash balance, in addition to the portion of the CIP that comes from the general fund tax levy. This category also includes projects which use excess cash reserves in the CIP fund itself.
State Revenues:	The City receives various payments from the State of Montana for different purposes. A portion of Gas Tax revenues is earmarked for labor and material costs of street projects. The City also maintains State routes within City limits and does special street projects for the State. Revenues from these activities are used for labor, material, and capital outlay expenditures.
Tax Increment Funds:	This funding source consists of taxes levied on increases in the value of parts of the Central Business District tax base, which began in 1978 and continue today in a few new districts adjacent to the original Central Business District. These funds are earmarked for redevelopment projects within the district boundaries. Several new Urban Renewal Districts have been created to supersede the original downtown district that will address redevelopment issues in two older parts of the City.
Sewer R & D Fund:	The Sewer Replacement and Depreciation Fund consists of funds set aside annually for future investment in sewage treatment plant facilities.
Parking Commission:	The Missoula Parking Commission maintains substantial cash reserves that are available to them for projects related to parking needs.
Grants/Donations:	This fund source consists of Federal grants, State grants, and donations by citizens and businesses where the money is passed through the City.
CTEP:	These are Federal grants primarily directed towards improving or expanding non-motorized transportation.
G.O. Bonds:	These are bonds for which the full faith and credit of the City is pledged. G.O. Bonds require voter approval.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

Special Assessments

& Other Debt: Special Assessments are charges against certain properties to defray the cost of infrastructure improvements deemed primarily to benefit those properties. Also included are Revenue bonds where the debt service payments are paid for exclusively from the project earnings and Sidewalk/Curb Assessments. Other debt can include revenue bonds for Sewer project loans and tax increment bonds, which were sold to finance the downtown parking structure. Tax increment bonds are repaid by tax increment revenues, which were previously discussed.

Special District

Assessments for

Roads & Parks: These city-wide assessments (levied on the property tax bills) provide some funding for capital construction projects in the city for roads and parks.

Title One: These are funds generated by repayment of HUD and UDAG projects.

Trails Fund: Donations and land lease payments have been set aside in a special revenue fund for the purpose of expanding the trails system.

Cable TV: These are funds generated from collection of franchise fees paid by subscribers of the local cable television operators.

User Fees: User fees are charges for city services where the benefits received from such services can be directly and efficiently applied to those who receive the benefits.

Park Acquisition &

Development Fund: This fund is set up to account for funding that developer's pay to the City instead of donating park land when they are subdividing bare land.

CMAQ: These are federal grants aimed at mitigating air quality problems.

Other & Private: This fund source represents other miscellaneous categories. One type of funding source would be the operating budget, which are the "in-kind" costs of City employee labor that are funded by the operating budget. Private investment is not included in the total City costs of the project, but is shown to demonstrate the "leveraging" of private investment that some projects, especially projects of the Missoula Redevelopment Agency, have. Also included are projects where the State of Montana may fund the project and be responsible for its implementation, so the project does not affect city funds or go through our treasury. These projects are shown because they affect the urban area.

CAPITAL BUDGET AND ITS IMPACT ON FUTURE OPERATING BUDGETS

Whenever the City commits to a CIP plan, there is an associated long-range commitment of operating funds. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact. Most capital projects affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs or by providing capacity for new programs to be offered. Such impacts vary widely from project to project and, as such, are evaluated individually during the process of assessing project feasibility. The five-year financial forecast also provides an opportunity to review the operating impact of growth-related future capital projects.

The operating impact of capital projects is analyzed and taken into consideration during the extensive CIP prioritization process. Estimated new revenues and/or operational efficiency savings associated with projects are also taken into consideration (net operating costs). Departmental staff plan and budget for significant start-up costs, as well as the operation and maintenance of new facilities. The cost of operating new or expanded facilities or infrastructure is included in the operating budget in the fiscal year the asset becomes operational. Debt service payments on any debt issued for capital projects is also included in the operating budget.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

Listed below are two tables. The first table contains the capital items included in this year's Annual Budget, together with projected impacts on future operating budgets (exclusive of equipment replacement costs). The second table shows the equipment replacement costs by department for the next five fiscal years. A detail of the summarized capital replacement schedule is printed in the appendix to this report.

Please note that the level of operating budget impact is disclosed in the tables below. The General Fund debt service impacts have been in the CIP budget for many years and are discussed in further detail in the debt management section of this document.

The General Fund equipment in the attached replacement schedules will be financed with capital leases ranging from 3 to 15 years. Most leases have a term of 3 to 5 years, depending on the useful life of the equipment. The enterprise fund equipment in the replacement schedule will be paid for in cash.

The future operating debt service impact for both of the new parking structures (East Main Street and the Riverfront Triangle) and the new head-works at the wastewater plant will be completely mitigated by current and future rate increases already in place. Enterprise fund projects supported by revenue bonds will be funded with debt that is rated by national rating agencies (Standard & Poor and Moody's). Rate covenants are in place for the all current revenue bonds requiring that debt service coverage ratios be maintained in order to maintain the debt ratings. No future revenue bonded debt can be issued without a demonstrated history of maintaining adequate debt service coverage ratios (please see the statistical section for coverage calculations for both parking and wastewater).

Other than the debt financed projects discussed above, most non-General Fund supported projects are paid for in cash from various types of revenue streams such as grants and tax increment dollars.

The following capital financings occurred during the previous fiscal year (FY 2016):

- \$1,646,954 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock for the General Fund and Road and Park District 1 – sold and closed on November 20, 2015.

The following capital financing occurred subsequent to July 1, 2016 (beginning of FY 2017):

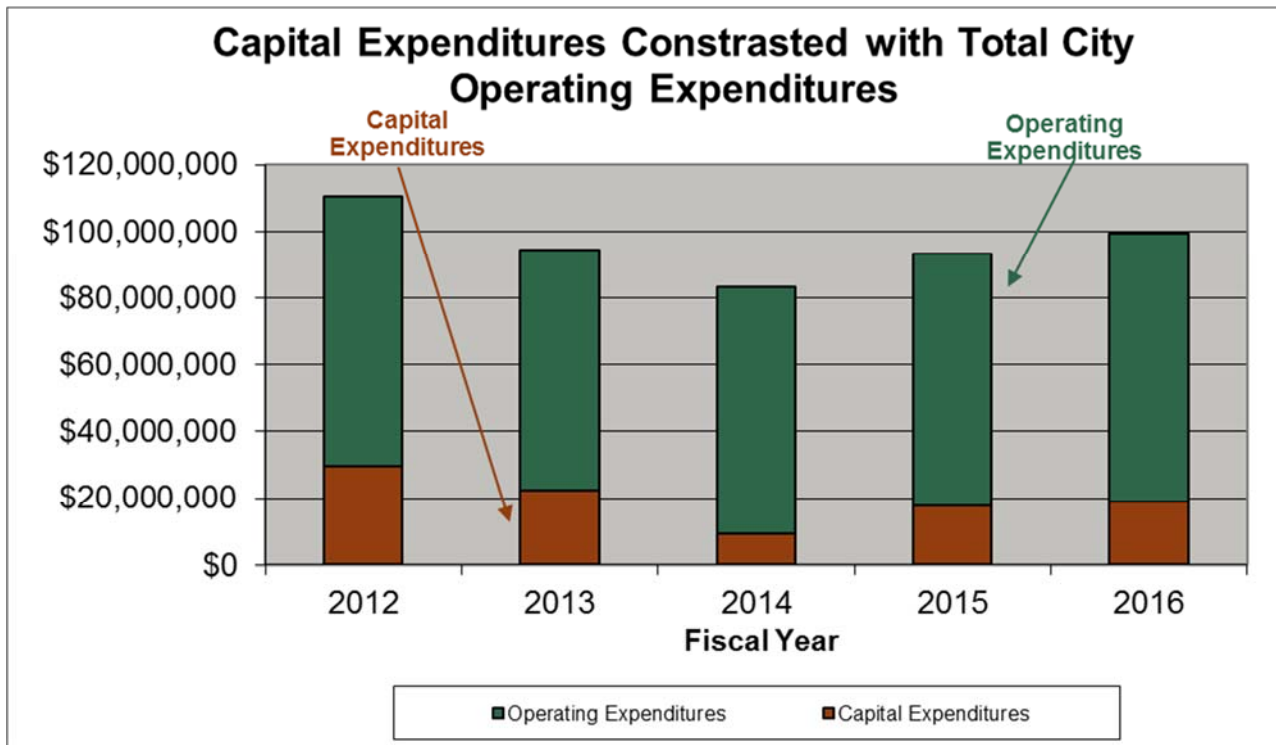
- \$1,758,427 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock for the General Fund and the Road and Park District 1 – sold and closed on November 24, 2016.

CAPITAL EXPENDITURES CONTRASTED WITH TOTAL CITY OPERATING EXPENDITURES

The investment by the City in its capital and infrastructure is of primary importance to insure the long-term viability of service levels. The amount of capital expenditures in relation to the total City budget is a reflection of the City's commitment to this goal.

The City of Missoula strives to provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement. All governments experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital, plant, and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of the need for adequate maintenance and replacement of capital, plant, and equipment, regardless of the economic conditions, will assist in maintaining the government's equipment and infrastructure in good operating condition.

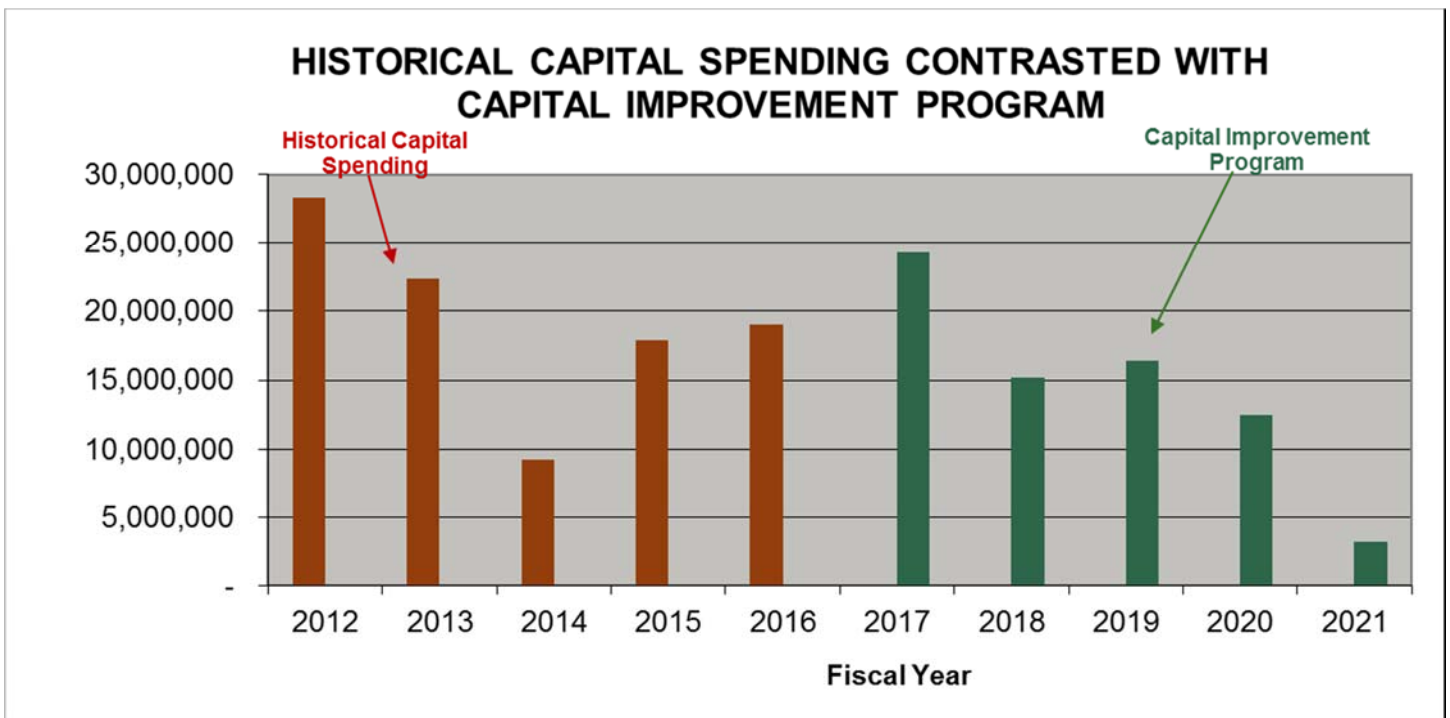
The graph below illustrates Missoula's historical investment in capital. The graph depicts actual capital expenditures over the course the last five years (for which audited values are not available at the time of publication of the budget) as compared to the City's operating budget. Obligating resources to capital investment is appropriate for a growing community, as Missoula strives to meet level of service standards identified in the Strategic Plan and community outcomes identified in the Growth Management Plan.



**CAPITAL IMPROVEMENT PROGRAM (NEXT FIVE YEARS)
CONTRASTED WITH HISTORICAL CAPITAL SPENDING (PREVIOUS
FIVE YEARS)**

Another indicator of Missoula’s commitment to providing adequate maintenance of capital, plant, and equipment and orderly and timely replacement of capital, plant and equipment is the amount of projected capital spending over the course of the next five to six years as compared to the previous five-year period. This information is useful to the City Council in their deliberations when determining which items and when these items will or can be included in the Capital Budget. This information also helps the City Council make decisions with a long-term perspective in regards to the capital and operating budget.

Shown below is a graph which contrasts historical capital spending (last five years of audited values) with the capital spending identified in the Capital Improvement Program (the next five years).



CAPITAL IMPROVEMENT POLICIES

The City of Missoula has developed a set of financial management policies that cover all aspects of its financial operations. These and other policies are reviewed periodically by the Chief Administrative Office, the Finance Director and the City Council and are detailed in the Executive Summary section of this document. Policies on capital improvements are one component of those financial policies. Listed below are excerpts from those policies, which relate specifically to capital improvements.

CIP Formulation:

- 1) **CIP Purpose.** The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a five-year plan organized into the same functional groupings used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or infrastructure; and capital facility projects that significantly expand or add to the City's existing fixed assets.
- 2) **CIP Criteria.** Construction projects and capital purchases of \$5,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$5,000 will be included in the regular operating budget. The Capital Improvement Plan (CIP) differentiates the financing of high cost long-lived physical improvements from low cost "consumable" equipment items contained in the operating budget. CIP items may be funded through debt financing or current revenues while operating budget items are annual or routine in nature and should only be financed from current revenues.
- 3) **Deteriorating Infrastructure.** The Capital Improvement Plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

Project Financing:

- 1) **Minor Capital Projects.** Minor capital projects or recurring capital projects, which primarily benefit current residents, will be financed from current revenues. Minor capital projects or recurring capital projects represent relatively small costs of an on-going nature, and therefore, should be financed with current revenues rather than utilizing debt financing. This policy also reflects the view that those who benefit from a capital project should pay for the project.
- 2) **Major Capital Projects.** Major capital projects, which benefit future residents, will be financed with other financing sources (e.g. debt financing). Major capital projects represent large expenditures of a non-recurring nature which primarily benefit future residents. Debt financing provides a means of generating sufficient funds to pay for the costs of major projects. Debt financing also enables the costs of the project to be supported by those who benefit from the project, since debt service payments will be funded through charges to future residents.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FY 2017 Capital Budget & Operating Budget Impacts					
Projects by Department/Project Name					
FY 2017 Capital Budget	Annual Operating Budget Impacts				
Department/Project Title	Appropriation	Personal Services Costs	Other Operating Costs	Debt Service Costs	Total
General Fund Capital Purchases					
PC - Computer and Copier Replacement - CityWide	97,400				97,400
Core Equipment replacement	3,871,700				3,871,700
CIP - General Fund					
Fire Station #4 - General Fund Debt Service 2006B				52,340	52,340
50 Meter Pool - General Fund Debt Service 2007C				62,495	62,495
Maintenance shop remodel/refunding 2016A				318,450	318,450
White Pine debt service - Series 2010A refunding				131,513	131,513
Energy Savings Performance debt 2010C				86,575	86,575
CIP - CORE Replacement Equipment debt service				2,099,394	2,099,394
Internally Financed Equipment				159,677	159,677
Wastewater Treatment Plant					
Old Highway 93 Sewer Interceptor	654,253				654,253
Sewer Pipe Rehabilitation Program	300,000				300,000
Russell Street Interceptor (Broadway to South 3rd)	31,500				31,500
Reserve St Lift Station Upgrade & Rehabilitation	569,000				569,000
Linda Vista Blvd Interceptor STEP System Conversion	769,866				769,866
Broadway Interceptor(North of Russel St Bridge)	145,000				145,000
Biogas Electrical Generation	1,179,100				1,179,100
Compost Facility Design	460,000				460,000
Grant Creek Lift Station	500,000				500,000
Laboratory Expansion	326,000				326,000
Administration Building	588,000				588,000
Missoula Redevelopment Agency					
URD II Western Curb & Sidewalk - S. 1st Street	125,000				125,000
URD III Residential west S/C - Benton, Fairview, Dearborn	437,500				437,500
Other Funds - CIP - FY 2017					
Core Equipment replacement	337,000				337,000
Energy Conservation and Climate Action Activities	48,625				48,625
MAM Art Park and ADA improvements	675,000				675,000
Caras Park Outfall - Stormwater treatment retrofit	196,000				196,000
Construction Project Assessment program software	80,000				80,000
VOIP / Data / GIS / Storage upgrades	141,475				141,475
City Hall growth plan	60,000				60,000
Time Management System (Timeclocks)	23,376				23,376
City Wayfinding Project PH II	490,500				490,500
Aquatics CIP plan for Splash & Currents	200,090				200,090
Fort Missoula Regional Park	151,000				151,000
McCormick Park site plan	70,000				70,000
Park Asset Management	248,000				248,000
Park Development & Expansion	70,000				70,000
Kim Williams expansion trail	76,638				76,638
Bellevue Park Bike Skills feature	3,000				3,000
Pleasant View basketball court	25,440				25,440
Recreation Software	97,000				97,000
Syringa Park bike skills feature	100,000				100,000
Trailhead Rennovations	162,850				162,850
Fire Hydrants	23,000				23,000
Boat Ramp Construction	41,500				41,500
Trench/Confined spaces rescue training prop	15,000				15,000
Police locker rooms	30,000				30,000
Police parking lot lighting	105,000				105,000
Police Evidence Storage building	2,562,208				2,562,208
Police restrooms at City Hall	263,000				263,000
Special Teams PPE & Less lethal	44,100				44,100
Municipal Court security enhancement	12,500				12,500
Clark Fork Lane-South of Union Pacific Street	35,500				35,500
Hillview Way Street Improvements	4,054,965				4,054,965
Gravel Street Paving	335,000				335,000
Mullan and George Elmer Drive Intersection Signal	5,000				5,000
VanBuren Street Reconstruction	345,000				345,000
Street Improvement and Major Maintenance Program	1,200,000				1,200,000
Annual Sidewalk Installation/Replacement Program	2,010,000				2,010,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FY 2017 Capital Budget & Operating Budget Impacts				
Projects by Department/Project Name (Cont'd)				
FY 2017 Capital Budget	Annual Operating Budget Impacts			
Cregg Ln Rdwy Improvements Orange St to Hickory St	373,550			373,550
Bicycle Safety Project-Stephens & Orange	27,500			27,500
Downtown Signal Upgrades	60,000			60,000
East Broadway Improvements for Missoula College	167,701			167,701
Madison Street Bridge Improvements	60,000			60,000
South Avenue Improvements-Reserve to 36th	60,000			60,000
City Hall Sidewalk Improvements	150,000			150,000
				-
GRAND TOTAL	25,290,837	\$	-	\$
			-	\$
			2,910,444	\$
				28,201,281

DEPARTMENT	EQUIPMENT REPLACEMENT TOTALS				
	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
FLEET SERVICES					
Total Operating Portion	\$ 430,000	\$ 35,000	\$ -	\$ -	\$ -
Total CIP Portion	-	-	-	-	-
TOTAL BUDGET AND CIP	\$ 430,000	\$ 35,000	\$ -	\$ -	\$ -
P.W. ENGINEERING					
Total Operating Portion	\$ -	\$ 35,000	\$ 76,000	\$ 35,000	\$ 35,000
Total CIP Portion	-	-	-	-	-
TOTAL BUDGET AND CIP	\$ -	\$ 35,000	\$ 76,000	\$ 35,000	\$ 35,000
POLICE DEPARTMENT					
Total Operating Portion	\$ 508,000	\$ 385,000	\$ 575,000	\$ 540,000	\$ 430,000
Total CIP Portion	-	-	-	-	-
TOTAL BUDGET AND CIP	\$ 508,000	\$ 385,000	\$ 575,000	\$ 540,000	\$ 430,000
FIRE EMERGENCY VEHICLES					
Total Operating Portion	\$ 35,000	\$ 35,000	\$ 120,000	\$ 35,000	\$ 35,000
Total CIP Portion	1,071,000	500,000	141,000	1,414,000	760,000
TOTAL BUDGET AND CIP	\$ 1,106,000	\$ 535,000	\$ 261,000	\$ 1,449,000	\$ 795,000
FIRE ADMINISTRATION					
Total Operating Portion	\$ -	\$ 35,000	\$ -	\$ -	\$ -
Total CIP Portion	-	-	-	-	-
TOTAL BUDGET AND CIP	\$ -	\$ 35,000	\$ -	\$ -	\$ -
P.W. STREET DIVISION					
Total Operating Portion	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -
Total CIP Portion	692,000	1,020,000	971,000	1,535,000	431,000
TOTAL BUDGET AND CIP	\$ 737,000	\$ 1,020,000	\$ 1,016,000	\$ 1,535,000	\$ 431,000
C.S. VEHICLE MAINTENANCE					
Total Operating Portion	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Portion	-	65,000	60,000	-	-
TOTAL BUDGET AND CIP	\$ -	\$ 65,000	\$ 60,000	\$ -	\$ -

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

DEPARTMENT	EQUIPMENT REPLACEMENT TOTALS (Cont'd)				
	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
P.W. TRAFFIC SERVICES					
Total Operating Portion	\$ 16,000	\$ 30,000	\$ -	\$ 15,000	\$ -
Total CIP Portion	16,000	-	-	-	-
TOTAL BUDGET AND CIP	\$ 32,000	\$ 30,000	\$ -	\$ 15,000	\$ -
PARKS DEPARTMENT					
Total Operating Portion	\$ 135,000	\$ 120,000	\$ -	\$ -	\$ -
Total CIP Portion	923,700	383,000	208,000	82,000	-
TOTAL BUDGET AND CIP	\$ 1,058,700	\$ 503,000	\$ 208,000	\$ 82,000	\$ -
Grand Total Operating Portion	\$ 1,169,000	\$ 675,000	\$ 816,000	\$ 625,000	\$ 500,000
Grand Total CIP Portion	2,702,700	1,968,000	1,380,000	3,031,000	1,191,000
TOTAL GENERAL FUND	\$ 3,871,700	\$ 2,643,000	\$ 2,196,000	\$ 3,656,000	\$ 1,691,000
CEMETERY					
Total Operating Portion	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Portion	45,000	70,000	45,000	30,000	81,000
TOTAL BUDGET AND CIP	\$ 45,000	\$ 70,000	\$ 45,000	\$ 30,000	\$ 81,000
P.W. BUILDING INSPECTION					
Total Operating Portion	\$ 90,000	\$ 30,000	\$ 60,000	\$ 30,000	\$ 90,000
Total CIP Portion	-	-	-	-	-
TOTAL BUDGET AND CIP	\$ 90,000	\$ 30,000	\$ 60,000	\$ 30,000	\$ 90,000
P.W. WASTE WATER TREATMENT					
Total Operating Portion	\$ 135,000	\$ 35,000	\$ -	\$ 180,000	\$ -
Total CIP Portion	35,000	340,000	255,000	-	138,000
TOTAL BUDGET AND CIP	\$ 170,000	\$ 375,000	\$ 255,000	\$ 180,000	\$ 138,000
PARKING COMMISSION					
Total Operating Portion	\$ 32,000	\$ 82,000	\$ 114,000	\$ 82,000	\$ 32,000
Total CIP Portion	-	-	-	-	18,000
TOTAL BUDGET AND CIP	\$ 32,000	\$ 82,000	\$ 114,000	\$ 82,000	\$ 50,000
Total Operating Portion	\$ 257,000	\$ 147,000	\$ 174,000	\$ 292,000	\$ 122,000
Total CIP Portion	80,000	410,000	300,000	30,000	237,000
TOTAL NON-GENERAL FUND	337,000	557,000	474,000	322,000	359,000
Grand Total	\$ 4,208,700	\$ 3,200,000	\$ 2,670,000	\$ 3,978,000	\$ 2,050,000
Federal Transportation Portion	-	(339,300)	(147,900)	-	-
TOTALS	\$ 4,208,700	\$ 2,860,700	\$ 2,522,100	\$ 3,978,000	\$ 2,050,000
Operating Equipment - predominantly rolling stock - pickup trucks & cars costing less than \$35,000					
CIP Equipment - Predominantly heavy equipment such as tandem axel dump trucks, fire engines, graders etc.					

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2017	FY2018	FY2019	FY2020	FY2021
FLEET SERVICES				220					
800	6605	TOYOTA PRIUS	ADMIN	2004		\$35,000			
887	9809	DODGE GRAND CARAVAN	MRA	2015					
NEW		WAYFINDING SIGNS	DEV SRVS	2017	\$430,000				
Total Core Units				2	\$430,000	\$35,000	\$0	\$0	\$0
ENGINEERING DIVISION				280					
502	9626	FORD ESCAPE	ENGR	2014					
503	6688	JEEP GRAND CHEROKEE	ADMIN	2005			\$35,000		
505	8499	JEEP LIBERTY	ENGR.	2006					\$35,000
509	8032	CHEVROLET IMPALA	ADMIN	2007				\$35,000	
510	6636	CHEVY COLORADO	ENGR	2005			\$35,000		
511	8185	GMC SIERRA 2500	ENGR	2008		\$35,000			
512	6637	CHEVROLET COLORADO	INSPECTION	2005					
514	9639	FORD F250	INSPECTION	2014					
515	9817	CHEVY COLORADO	ENGR	2015					
516	9816	CHEVY COLORADO	ENGR	2015					
		SEWER TAP COMPRESSORS	ENGR.	3			\$6,000		
Total Core Units				11	\$0	\$35,000	\$76,000	\$35,000	\$35,000
POLICE DEPARTMENT				290					
1	8121	FORD ESCAPE	ADMIN	2012			\$35,000		
4	9835	BUICK LACROSSE	DETECTIVE	2007					\$35,000
5	9594	CHEVROLET IMPALA	DETECTIVE	2013				\$35,000	
6	8122	FORD ESCAPE	ADMIN	2012					
7	6603	CHEVROLET G30 VAN	CRIME VAN	2004					\$45,000
8	9627	DODGE JOURNEY	ADMIN	2014					
9	9635	DODGE 1500	K9	2014			\$45,000		
11	6619	CHEVROLET IMPALA	DETECTIVE	2004					
19	8114	FORD TAURUS	DETECTIVE	2013					\$35,000
20	8023	DODGE DAKOTA	AI	2010				\$40,000	
23	9596	DODGE DAKOTA	AI	2013					
24	9628	DODGE JOURNEY	ADMIN	2014					
26	9608	DODGE JOURNEY	ADMIN	2015					
27	9607	DODGE JOURNEY	ADMIN	2015					
42	6684	FORD EXPEDITION	K9	2005					
48	8100	CHEVROLET TAHOE	PATROL	2011	\$45,000				
55	8104	DODGE CHARGER	PATROL	2012			\$45,000		
60	8123	DODGE CHARGER	PATROL	2013	\$45,000			\$45,000	
61	8124	DODGE CHARGER	PATROL	2013	\$45,000			\$45,000	
62	8125	DODGE CHARGER	PATROL	2013	\$45,000			\$45,000	
63	8126	DODGE CHARGER	PATROL	2013	\$45,000			\$45,000	
64	8127	DODGE CHARGER	PATROL	2013	\$45,000			\$45,000	
65	8128	DODGE CHARGER	PATROL	2013	\$45,000			\$45,000	
66	8129	DODGE CHARGER	PATROL	2013	\$45,000			\$45,000	
NEW	TBD	DODGE CHARGER - NEW MISD OFFICER VEH	PATROL	NEW	\$38,000			\$45,000	
67	8130	DODGE CHARGER	PATROL	2013		\$45,000			\$45,000
70	9616	DODGE CHARGER	PATROL	2014		\$45,000			\$45,000
71	9615	DODGE CHARGER	PATROL	2014		\$45,000			\$45,000
72	9614	DODGE CHARGER	PATROL	2014		\$45,000			\$45,000
73	9599	DODGE CHARGER	PATROL	2014		\$45,000			\$45,000
74	9621	DODGE CHARGER	PATROL	2014		\$45,000			\$45,000
75	9622	DODGE CHARGER	PATROL	2014		\$45,000			\$45,000
80	9851	DODGE CHARGER ALL WHL DRIVE	PATROL	2014			\$45,000		
81	9852	DODGE CHARGER ALL WHL DRIVE	PATROL	2014			\$45,000		
82	9853	DODGE CHARGER ALL WHL DRIVE	PATROL	2014			\$45,000		
83	9854	DODGE CHARGER ALL WHL DRIVE	PATROL	2014			\$45,000		
84	9855	DODGE CHARGER ALL WHL DRIVE	PATROL	2014			\$45,000		
85	9856	DODGE CHARGER ALL WHL DRIVE	PATROL	2014			\$45,000		
1207		HONDA ST1300PA	PATROL	2012			\$35,000		
1271		HONDA ST1300PA	PATROL	2012			\$35,000		
1276		HONDA ST1300PA	PATROL	2012			\$35,000		
1338		HONDA ST1300PA	PATROL	2012			\$35,000		
8033	8033	CHEVROLET IMPALA	DETECTIVE	2007	\$25,000				
8040	8040	FORD F150 CREW CAB	DETECTIVE	2007			\$40,000		
8059	8059	CHEVROLET IMPALA	DETECTIVE	2008		\$35,000			
8060	8060	CHEVROLET IMPALA	DETECTIVE	2008		\$35,000			
8088	8088	MALIBU HYBRID	DETECTIVE	2009				\$35,000	
8089	8089	MALIBU HYBRID	DETECTIVE	2009				\$35,000	
8090	8090	MALIBU HYBRID	DETECTIVE	2009				\$35,000	
		ADDITIONAL MOBILE RADIOS	PATROL	NEW	\$35,000				
		NEW REQUEST FOR ADDITIONAL CRIME VAN.	PATROL	NEW	\$50,000				
Total Core Units				49	\$508,000	\$385,000	\$575,000	\$540,000	\$430,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL (Cont'd)

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2017	FY2018	FY2019	FY2020	FY2021	
FIRE EMERGENCY VEHICLES					300					
		CATARAFT TUBES AND TRAILER	RESCUE	2002						
4461	9518	FIRE ENGINE (TYPE 1)	RESPONSE	2014						
2		RESCUE WATER CRAFT	RESCUE	2012						
1073	9286	FIRE ENGINE (TYPE 1)	RESPONSE	2010						
3227	7142	FIRE ENGINE (TYPE 1)	RESPONSE	2003		\$500,000				
2341	7145	FIRE ENGINE (TYPE 1)	RESPONSE	2002	\$490,000					
1373	7143	FIRE ENGINE (TYPE 1)	RESPONSE	1999	\$490,000					
6664	7141	FIRE ENGINE (TYPE 1)	RESPONSE	2006					\$500,000	
9974	?	FIRE ENGINE (TYPE 1)	RESPONSE	2009						
4747	9519	LADDER TRUCK	RESPONSE	2014						
9021	9021	LADDER TRUCK	RESPONSE	1999				\$1,400,000		
4197	4197	WATER TENDER (20 YR)	RESPONSE	2001					\$260,000	
3885		WILDLAND ENGINE (TYPE 3)	RESPONSE	2014						
8685	8685	WILD LAND ENGINE (TYPE 2)	RESPONSE	1999			\$120,000			
4002	?	WILDLAND ENGINE (TYPE 3)	RESPONSE	2012						
7237	7237	WILD LAND ENGINE (TYPE 6)	RESPONSE	2007						
3131	6261	COMMAND VEHICLE	RESPONSE	2015						
3132	6261	COMMAND VEHICLE	RESPONSE	2015						
5803		COMMAND VEHICLE	RESPONSE	2007						
NEW		EQUIPMENT FOR TYPE 1 ENGINE	RESPONSE	NEW	\$91,000					
		GENERATORS (All 5 Stations)	RESPONSE	2006						
		COMPRESSORS AND FILL STATION	RESPONSE	1999			\$85,000			
		SCBA (15 YRS)	PPE	2011						
		INFORMATION SYSTEMS (MIDC'S)	6 UNITS							
		THERMAL IMAGERS (6 YRS)	7 UNITS				\$21,000	\$14,000		
		COMMUNICATION HAND HELD AND MOBILE RAD	60 UNITS	REPLACE	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	
		DEFIBRILLATORS (10 YRS)	5 UNITS	2002						
		LAND FOR STATION 6								
Total Core Units					19	\$1,106,000	\$535,000	\$261,000	\$1,449,000	\$795,000
FIRE DEPT. ADMINISTRATION					300					
902	8034	CHEVROLET IMPALA	FIRE CHIEF	2007		\$35,000				
903	8497	CHEVROLET UPLANDER	MOTOR POOL	2006						
907	9815	CHEVROLET COLORADO	INSPECTION	2015						
908	8001	FORD RANGER	INSPECTION	2006						
909	8070	TOYOTA PRIUS	EMS	2009						
910	9828	FORD F 250	TRAINING	2016						
Total Core Units					6	\$0	\$35,000	\$0	\$0	\$0
BUILDING DIVISION					310					
401	8106	FORD ESCAPE	INSPECTION	2012	\$30,000				\$30,000	
402	6604	FORD RANGER EXT CAB	INSPECTION	2004						
403	6660	CHEVROLET COLORADO	INSPECTION	2005		\$30,000				
404	9633	JEEP PATRIOT	INSPECTION	2015				\$30,000		
406	6924	JEEP PATRIOT	INSPECTION	2014			\$30,000			
407	6924	JEEP PATRIOT	INSPECTION	2014			\$30,000			
408	8107	FORD ESCAPE	INSPECTION	2012	\$30,000				\$30,000	
410	8108	FORD ESCAPE	INSPECTION	2012	\$30,000				\$30,000	
		NEW VEHICLE REQUEST	INSPECTION							
Total Core Units					8	\$90,000	\$30,000	\$60,000	\$30,000	\$90,000
STREET DIVISION					320					
101	9814	CHEVROLET SILVERADO	ADMIN	2015						
102	6685	GMC EXT CAB 1/2 TON	ADMIN	2005						
103	8495	GMC EXT CAB 1/2 TON	ADMIN	2006						
104	6037	DODGE 3/4 TON	PAVING CREW	2002	\$45,000					
110	9650	F350 FLAT BED / LIFT GATE	OPERATIONS	2013						
111	8194	FORD F350 CREW CAB	OPERATIONS	2007			\$45,000			
112	8045	JOHNSTON 650	SWEEPER	2007						
113	8049	JOHNSTON 650	SWEEPER	2007						
115	8113	JOHNSTON 650	SWEEPER	2012				\$250,000		
116	8014	JOHNSTON 650	SWEEPER	2006		\$250,000				
117	8094	ISUZU JOHNSTON 650	SWEEPER	2009			\$250,000			
118	9620	PETERBILT JOHNSTON 650	SWEEPER	2013				\$250,000		
120	6689	ELGIN BROOM BEAR	SWEEPER	2005					\$250,000	
121	6022	IH TANDEM VAC-CON	VACUUM	2002				\$270,000		
122	8492	CAT	GRADER	2006				\$225,000		
123	1285	CAT	GRADER	1982		\$225,000				
124	9598	F350 FORD DUMP BOX	1 TON DUMP	2013						
125	9649	ELGIN BROOM BEAR	SWEEPER	2014						
131	8158	I.H. TANDEM AXLE	TANDEM DUMP	2009				\$130,000		
132	6153	I.H. TANDEM AXLE	TANDEM DUMP	2007			\$130,000			
135	8172	FREIGHTLINER	TANDEM DUMP	2012						
136	8142	FREIGHTLINER	FLUSHER	2010	\$190,000					
137	8178	FREIGHTLINER	TANDEM DUMP	2012						

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL (Cont'd)

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2017	FY2018	FY2019	FY2020	FY2021
STREET DIVISION (Cont'd)				320					
138	8186	I.H. 7400	FLUSHER	2007	\$190,000				
139	8157	I.H. TANDEM AXLE	TANDEM DUMP	2009					
140	5613	STERLING TANDEM AXLE	TANDEM DUMP	2002					
141	9861	FREIGHTLINER	TANDEM DUMP	2015					
143	8192	ROSCO SPR-H	CHIP SPREADER	1997			\$200,000		
145	9637	CAT AP500E	PAVER	2014					
146	7795	CAT	LOADER	1996					
147	7798	CAT	LOADER	1996					
148	1540	FORD 700 W\ROSCO DISTRIBUTOR	DISTRIBUTOR	1989		\$235,000			
149	8498	CAT	BACKHOE	2006					
150	6621	BOMAG	ASPHALT ROLL	2003			\$75,000		
154	6627	CAT	LOADER	2004				\$150,000	
155	8146	KOMTSU	LOADER	2010					
169	7796	FORD SINGLE AXLE	ANTI-ICE\PLOW	1997					
171	7832	BOBCAT	SKID STEER	1996			\$55,000		
172	9840	CAT	SKID STEER	2015					
173	9601	FORD F750	POTHOLE TRUCK	2014					
175	7327	FORD\ROSCO	POTHOLE TRUCK	1996	\$250,000				
176	5611	STERLING	SANDER\PLOW	2001		\$120,000			
177	6164	STERLING	SANDER\PLOW	2005			\$120,000		
178	8008	IH 7400 SINGLE AXLE	SANDER\PLOW	2006			\$120,000		
179	8079	FREIGHTLINER	DEDICATED SANDERS	2009					
180	8080	FREIGHTLINER	DEDICATED SANDERS	2009					
181	8081	FREIGHTLINER	DEDICATED SANDERS	2009					
182	8080	FREIGHTLINER	DEDICATED SANDERS	2013					
183	8080	FREIGHTLINER	DEDICATED SANDERS	2013					
184	9630	FREIGHTLINER 108SD	SANDER\PLOW	2014					
185	9606	AUTOCAR	VACUUM SWEEPER	2014					
186	9605	AUTOCAR	VACUUM SWEEPER	2014					
187	9604	AUTOCAR	VACUUM SWEEPER	2014					
188	9834	FREIGHTLINER	SANDER\PLOW	2016					
194	9631	CIMLINE CRACK SEALER	CRACK SEALER	2014					
195	8112	HUDSON HD	ASPHALT RECYCLER	2012			\$250,000		
196	8007	CATERPILLAR PS 150B	RUBBER TIERED ROLLER	2001					\$80,000
197	6643	DYNAPACK CP132 9	RUBBER TIERED ROLLER	2001					\$80,000
C100		HOMEMADE CONVEYOR	CONVEYOR	2012					
T-100		TRAIL KING	TRAILER	1994					
T102		WALTON	TRAILER	1994	\$41,000				
T-105		TOW MASTER	TRAILER	1997					
T-145		ECONOLINE	PAVER TRAILER	2003					
T-146	9648	TOWMASTER T40	PAVER TRAILER	2015					
P105		BOSS RTE PLO	SNOW PLOW	2008					
P130		SCHMIDT	SNOW PLOW	1986					
P167	8028	SCHMIDT	SNOW PLOW	1992					
P168	4236	SCHMIDT	SNOW PLOW	2004					
P169	8154	SCHMIDT HSP4210POLLY	SNOW PLOW	2007					
P176	8004	SCHMIDT	SNOW PLOW	2002					
P177	8004	SCHMIDT	SNOW PLOW	2004					
P178	8012	SCHMIDT	SNOW PLOW	2006					
P179	8073	HENKE	SNOW PLOW	2009					
P180	8111	HENKE	SNOW PLOW	2012					
P181	8075	HENKE	SNOW PLOW	2009					
P182	9612	BONNELL	SNOW PLOW	2013					
P183	9613	BONNELL	SNOW PLOW	2013					
CS150	6698	NORTON CLIPPER	CEMENT SAW	2005					
		SANDERS	1 PER 2 YEARS	7 TOTAL	\$16,000		\$16,000		\$16,000
		ASPHALT WACKIER	1 PER 2 YEARS	4 TOTAL	\$5,000		\$5,000		\$5,000
		DEICER UNITS	1 PER 2 YEARS	7 TOTAL		\$10,000		\$10,000	
		NEW FOR FY 16 to 17 HEAVIER ROLLER	NEW REQUEST			\$180,000			
Total Core Units		81			\$737,000	\$1,020,000	\$1,016,000	\$1,535,000	\$431,000
VEHICLE MAINTENANCE				321					
702	8031	HYSTER	OPERATION	2002		\$40,000			
777		CAT - OLYMPIAN	GENERATOR	2000			\$60,000		
T715	9647	CARGO TRAILER	OPERATIONS	1 PER					
VM01	9640	GENI ONE MAN LIFT	OPERATIONS	1 PER					
VM01	9827	BENPAK	OPERATIONS	1 PER					
		FLOOR CLEANING MACHINE	NEW REQUEST			\$25,000			
Total Core Units		5			\$0	\$65,000	\$60,000	\$0	\$0

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL (Cont'd)

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2017	FY2018	FY2019	FY2020	FY2021
TRAFFIC DIVISION				322					
561	9619	ISUZU NPR	OPERATIONS	2013					
564	8135	HONDA RANCHER ATV	OPERATIONS	2013					
567	9603	ISUZU NPR	OPERATIONS	2015					
573	6687	DODGE GRAND CARAVAN	VAN	2005		\$30,000			
584		SMART TRAILER	RADAR	1994	\$16,000				
585	4857	FREIGHTLINER AERIAL LIFT	MAN LIFT	1997					
588	8086	GMC SIERRA	COM SHOP	2009					
591	6690	LONG CHIH	RADAR	2002	\$16,000				
592	9632	ISUZU NPR	OPERATIONS	2014					
T593	9831	PACESETTER	OPERATIONS	2015					
T594	9832	PACESETTER	OPERATIONS	2015					
SW51	8151	EDCO 8 INCH CEMENT GRINDER	OPERATIONS	2008				\$15,000	
Total Core Units				12	\$32,000	\$30,000	\$0	\$15,000	\$0
WWT DIVISION				330					
302	8143	FORD FUSION HYBRID	PLANT MAINT	2010		\$35,000			
310	6686	CAT 416 D LOADER BACKHOE	PLANT MAINT	2005		\$70,000			
313	8171	FORD TRANSIT CONNECT	OPERATIONS	2012					
314	6145	GMC SIERRA 3500	PLANT MAINT	2004	\$75,000				
316	8056	DOOSAN FORKLIFT	PLANT MAINT	2006					\$15,000
317		PIPEHUNTER SIDEKICK EASMENT	OPERATIONS	2009					
318	9810	CHEVY COLORADO	OPERATIONS	2015					
319	9818	CHEVY COLORADO	OPERATIONS	2015					
321	8056	IH AQUATEC	OPERATIONS	2011					
323	9602	DODGE GRAND CARAVAN	OPERATIONS	2015					
324	6622	CHEVY 1 TON	OPERATIONS	2004	\$60,000				
328	6152	IH AQUATEC	VACUUM	2008		\$270,000			
329		FORD LNT 8000	JETTER	1995					
330	7051	INGERSOLL RAND	COMPRESSOR	1988			\$20,000		
332		FREIGHTLINER	JETTER	1997					
334	8177	GMC SIERRA 1500	OPERATIONS	2012	\$35,000				
335	6624	SECA JETTER UNIT	COLLECTIONS	2004			\$235,000		
336	8057	FORD F350	COLLECTIONS	2008				\$45,000	
337	8067	FORD F350	COLLECTIONS	2008				\$45,000	
338	8183	FORD F350	COLLECTIONS	2008				\$45,000	
339	8184	FORD F350	COLLECTIONS	2008				\$45,000	
374		CMC PUMP	COLLECTIONS	1956					
381		COMC 3" PUMP	PLANT	1951					
385		LANDA PRESSURE WASH	PLANT	1986					
387		OLYMPIAN GENERATOR	COLLECTIONS	1999					\$41,000
388		OLYMPIAN GENERATOR	COLLECTIONS	1999					\$41,000
390		OLYMPIAN GENERATOR	COLLECTIONS	2002					\$41,000
392		SULLAIR 210H COMPRESSOR	COLLECTIONS	2005					
NV6		NASHUA TRAILER	COLLECTIONS	1957					
T301		RETTIG UTILITY TRAILER	COLLECTIONS	1999					
T329		SECA JETTER UNIT	COLLECTIONS	1995					
Total Core Units				31	\$170,000	\$375,000	\$255,000	\$180,000	\$138,000
CEMETERY				340					
601	1643	CASE 580 CKB	Loader w/3pt. Hitch	1974					\$56,000
602	4058	SULAIR COMPRESSOR DF210HJD	Air Compressor	2013					
604		TORO WALK BEHIND	Mower	2002					
605	8116	KUBOTA	Mower	2012					
608		HUSTLER \ ATTACHMENTS	Mower	2002	\$45,000				
609		HUSTLER \ ATTACHMENTS	Mower	2001					
610		POLARIS RANGER	Utility Cart	2002		\$25,000			
611	8140	TORO WORKMAN	Utility Cart	2012					
613	8039	JOHN DEERE	Tractor	2007					
614		KUBOTA	Utility Cart	2004					\$25,000
615		HUSTLER \ ATTACHMENTS	Mower	2004		\$45,000			
616		PROCORE 880	SOIL AERATOR	2004				\$30,000	
618		HUSTLER \ ATTACHMENTS	Mower	2007			\$45,000		
619	9839	TORO WORKMAN	Utility Cart	2015					
625	8077	BACKHOE LOADER	OPERATION	2010					
698	9611	KUBOTA	UTV	2013					
Total Core Units				16	\$45,000	\$70,000	\$45,000	\$30,000	\$81,000
PARKS DEPARTMENT				370					
201	9641	DODGE RAM 1500	OPERATIONS	2014					
202	9638	DODGE GRAND CARAVAN	OPERATIONS	2014					
205	9850	FORD TRANSIT 15 PASSENGER	OPERATIONS	2015					
208	9652	FORD F350 FLAT BED LIFT GATE	OPERATIONS	2013					
209		BABB TRAILER W/ PRESSURE WASHER	OPERATIONS	2007	\$21,000				
210	8015	CHEVY SILVERADO HYBRID	OPERATIONS	2006		\$35,000			

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL (Cont'd)

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2017	FY2018	FY2019	FY2020	FY2021	
PARKS DEPARTMENT (Cont'd)					370					
211	8156	POLARIS 6x6 UTV	CONSERVATION	2008			\$20,000			
212	8025	MORBARK CHIPPER	CONSERVATION	2010				\$40,000		
214	5354	CASE 580L	OPERATIONS	1998		\$85,000				
221	9860	FORD TRANSIT 15 PASSENGER	RECREATION	2015						
224		JOHN DEERE TRACTOR 6310	CONSERVATION	2001	\$65,000					
225	8132	BOBCAT TOOLCAT	OPERATIONS	2012			\$70,000			
229	9634	KUBOTA F3990	OPERATIONS	2014						
233	8173	HONDA RUBICON	OPERATIONS	2012		\$10,000				
239	9595	KUBOTA 3680	OPERATIONS	2013						
241	9634	TORO 5900 16' MOWER	MOWER	2014						
243		CHEVY PICKUP	OPERATIONS	2000						
245	9651	TORO 5900 16' MOWER	OPERATIONS	2013						
246		FORD F700 AERIAL LIFT TRUCK	FORESTRY	2002	\$170,000					
248	9597	BANDIT 3200 STUMP GRINDER	FORESTRY	2013						
252	8083	MITSUBISHI (MINNI TRUCK)	OPERATIONS	1998		\$30,000				
253	8084	HONDA (MINI TRUCK)	OPERATIONS	2000		\$30,000				
255	8085	MITSUBISHI (MINNI TRUCK)	OPERATIONS	1996		\$30,000				
256		LAND PRIDE SEEDER	OPERATIONS	2009			\$13,000			
258	9623	KUBOTA MOWER	OPERATIONS	2013						
259	9829	CASE MINI EXCAVATOR	OPERATIONS	2015						
262	6682	TORO	OPERATIONS	2004	\$90,000					
264	9654	FORD F350 DUMP BOX	OPERATIONS	2013						
265	5325	CHEVROLET ¼ TON PICKUP	OPERATIONS	1999						
272	6626	GMC SIERRA PICKUP	OPERATIONS	2004		\$30,000				
275	8002	JOHN DEERE 1445	MOWER	2006	\$40,000					
276		JOHN DEERE 1445	MOWER	2005	\$40,000					
277	9629	BANDIT 255XP	CHIPPER	2014						
286	8003	TORO 580D MOWER	MOWER	2006			\$90,000			
287	8005	KUBOTA UTV	OPERATIONS	2006		\$40,000				
289	8011	KUBOTA UTV	OPERATIONS	2006		\$40,000				
294	9636	FORD F 250	OPERATIONS	2014						
295	9634	TORO 5900 16' MOWER	MOWER	2014						
298	8002	JOHN DEERE 1445	MOWER	2007		\$40,000				
T202		B-WELDING TRAILER	OPERATIONS	2000						
T203		B-WELDING TRAILER	OPERATIONS	2000						
T204		SPORT LAND TRAILER	OPERATIONS	2005				\$10,000		
T205		SPORT LAND TRAILER	OPERATIONS	2005				\$10,000		
T206		SPORT LAND TRAILER	OPERATIONS	2006				\$10,000		
T207		UTILITY TRAILER	OPERATIONS	2005	\$10,000					
T208		UTILITY TRAILER	OPERATIONS	2005		\$10,000				
T211		TITAN 16' TRAILER	OPERATIONS	2005	\$15,000					
T214		REDMAX 12 TON TRAILER	OPERATIONS	1995	\$15,000					
T215		TRAILER	OPERATIONS	2006						
T262	6681	PJ TRAILER	OPERATIONS	2003			\$15,000			
273A		PULL BEHIND AERATOR	OPERATIONS	1995				\$12,000		
		72" MOWER NEW ITEM FORT MSLA	FORT OPERATIONS	1						
		AIR COMPRESSOR	FORT OPERATIONS	1	\$30,000					
		FIELD PAINTER NEW ITEM FORT MSLA	FORT OPERATIONS	1	\$10,500					
		LINE CHALKER - NEW ITEM FORT MSLA	FORT OPERATIONS	1	\$3,200					
		SNOW PLOW FOR SMALL TRUCK	FORT OPERATIONS	1	\$10,000					
		AERATOR NEW ITEM FORT MSLA	FORT OPERATIONS	1						
		SPREADER NEW ITEM FORT MSLA	FORT OPERATIONS	1	\$5,000					
		1/2 TON TRUCK NEW ITEM FORT MSLA	FORT OPERATIONS	1						
		UTILITY VEHICLE NEW ITEM FORT MSLA	FORT OPERATIONS	1	\$54,000					
		UTILITY TRAILER	FORT OPERATIONS	1	\$8,000					
		LINE TRIMMER, BLOWER SNOW BLADES NEW ITEM	FORT OPERATIONS	1 EACH						
		16' MOWER NEW ITEM FORT MSLA	FORT OPERATIONS	1 EACH	\$90,000					
		1 TON TRUCK NEW ITEM FORT MSLA	FORT OPERATIONS	1 EACH	\$45,000					
		SKID STEER	OPERATIONS	1	\$90,000					
		POST POUNDER	OPERATIONS	1	\$13,000					
		TWO TON TRUCK	FORT OPERATIONS	1		\$80,000				
		PAVEMENT STRIPER	GREENWAYS	1						
		PAVEMENT GRINDER	GREENWAYS							
		11 FOOT MOWER	GREENWAYS	1						
		ARROW BOARD TRAILER	FORT OPERATIONS	1		\$18,000				
		FORK LIFT	FORT OPERATIONS		\$40,000					
		CHIPPER	FORT OPERATIONS	1						
		TOOL CAT	FORT OPERATIONS	1	\$60,000					
		ELECTRIC UTILITY CARTS	FORT OPERATIONS	3	\$30,000					
		PRESSURE WASHER TRAILER MOUNTED	FORT OPERATIONS	1	\$20,000					
		TORO SAND PRO GROOMER	FORT OPERATIONS	1	\$17,000					
		RECREATION VANS	FORT OPERATIONS	1						
		RECREATION TRAILER	FORT OPERATIONS	1	\$11,000					
		RECREATION TRAILER	FORT OPERATIONS	1	\$11,000					
		USE BAB CHASSIS AND CHIP BOX FROM 246 MARK	OPERATIONS	1	\$15,000					
		PARKING LOT SWEEPER	FORT OPERATIONS	1		\$25,000				
		Mobile Office RECREATION TRAILER	FORT OPERATIONS	1	\$30,000					
Total Core Units					51	\$1,058,700	\$503,000	\$208,000	\$82,000	\$0

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL (Cont'd)

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2017	FY2018	FY2019	FY2020	FY2021	
PARKING COMM.				395						
811	9819	GRACO LINE PAINTER	MAINTENANCE	2015						
858	6168	CHEVROLET 3500	METER READ	1995		\$50,000				
865	8180	GO-4	METER READ	2010			\$32,000			
866	?	GO-4	METER READ	2003	\$32,000				\$32,000	
867	8030	GO-4	METER READ	2006		\$32,000				
868	8029	GO-4	METER READ	2006			\$32,000			
869	8160	GO-4	METER READ	2008				\$32,000		
870	6615	GMC	SNOW PLOW	2005				\$50,000		
871	6676	JOHN DEERE GATOR	SNOW PLOW	2005					\$18,000	
872	8190	GMC SIERRA	SNOW PLOW	2008			\$50,000			
874	5616	JOHNSTON 605	SWEEPER	1999						
Total Core Units					11	\$32,000	\$82,000	\$114,000	\$82,000	\$50,000

FY17 - FY21 City of Missoula Copier / Printer & Plotter Replacement Schedule

DEPT.	COPIER/PRINTER DESCRIPTION	FY2017	FY2018	FY2019	FY2020	FY2021
ATTORNEY	W7855PT (+ Env. Try, 3 hole punch & office finisher LX)					12,600
DEV. SERVICES (Prev. Bldg.)	Xerox W7885PT					
CEMETERY	Sharp MX-5141N (+ saddle stitch finisher and other requirements)				10,700	
CLERK	W7855PT (+ Bookmaker, 3 hole punch & office finisher LX)(Envelope Feed Tray - secondary order)			12,800		
COUNCIL	Sharp MX-M365N (+ Inner Finisher, stand w/ drawer and power filter)					
FINANCE	HP LJ M725DN MFP (+ Carepack)					
FIRE	Xerox WC7556P Color MFP		13,500			
HUMAN RESOURCES	Konica Minolta C360 Bizhub Color Digital MFS		9,300			
MAYOR	W7855PT (+ 3 hole punch & office finisher LX)					12,200
MRA	Sharp MX4101N		11,500			
MUNI COURT	Toshiba e-Studio 5540et Digital MFS Color with a fax board	11,200				
PARKS & REC AQUATICS	Ricoh MPC5501				11,400	
PARKS & REC FACILITIES	Toshiba e-Studio 5540et Digital MFS Color	11,200				
PARKS & REC FACILITIES	waiting for info from Betsy					
POLICE	Konica Minolta BizHub C552			15,300		
DEV. SERVICES (Prev. PW)	Xerox WC7556P Color MFP				13,500	
STREET	Xerox W7125PT Color MFS				7,100	
WWTP	Konica Minolta Bizhub 223 MFP		4,900			
WWTP	Xerox W7835PT					8,700
DEPT.	PLOTTER	FY2017	FY2018	FY2019	FY2020	FY2021
FIRE	HP Designjet Z6200 42" Graphics Plotter w/ Post Script/PDF Upgrade Option for Z6200 (+Ink Pckg) & HP 3 Year Extended Warranty for HP Z6200					
PARKS	HP Designjet T2300 PostScript eMultifunction printer & HP 3-yr NBD DJet HW Spt					
POLICE	HP Designjet T2300 PostScript eMultifunction printer & HP 3-yr NBD DJet HW Spt					
ENGINEERING	HP Designjet Z6200 42" Graphics Plotter (+ Ink Pckg) & Extended Warranty - 3YR Next day on-site warranty					
DEPT.	OTHER EQUIPMENT	FY2017	FY2018	FY2019	FY2020	FY2021
FINANCE	HASLER M3000 Machine number: 07DX8253 062.2		15,000			
	COMPUTER REPLACEMENT - PERIPHERALS	50,000	50,000	50,000	50,000	50,000
	COMPUTER REPLACEMENT - SERVERS	25,000	25,000	25,000	25,000	25,000
		\$ 97,400	\$ 129,200	\$ 103,100	\$ 117,700	\$ 108,500

RESOLUTION NUMBER 7167

A RESOLUTION OF THE MISSOULA CITY COUNCIL CREATING A DEBT MANAGEMENT POLICY OF THE CITY OF MISSOULA.

WHEREAS a debt management policy is helpful for issuing, administering and managing municipal debt; and

WHEREAS, Title 7, Chapter 7 of the Montana Code Annotated is entitled “Debt Management” for local government; and

WHEREAS, prudent financial management encourages the Missoula City Council to establish a Debt Management Policy to serve as a guideline when the City of Missoula is issuing debt instruments; and

WHEREAS the Missoula City Council considered and adopted the attached municipal debt policy for the City of Missoula at its _____, 2006 meeting; and

NOW, THEREFORE, BE IT RESOLVED, that the attached Policy of the City of Missoula be established as the official debt management policy.

FURTHER BE IT RESOLVED THAT this document shall also be included in the Missoula Administrative Rules and Procedures as Policy No. ____, on file in the Missoula City Clerks’ Office.

PASSED AND ADOPTED this 16th day of October, 2006.

ATTEST: APPROVED:

/s/ Martha L. Rehbein

Martha L. Rehbein, City Clerk

/s/ John Engen

John Engen, Mayor

(Seal)

Debt Management Policy

City of Missoula

Executive Summary

This debt policy for the City of Missoula is designed to provide a clear basis as to the City's policies and practices so that our creditors, elected officials and citizens will understand the basis of debt issuance by the City. This policy formally puts in writing what our past and present debt issuance practices have been.

The policy addresses the following issues:

1. Provides a statement of purpose.
2. Provides general guidelines, definitions and conditions for debt issuance.
3. Discusses the various types of debt issued by the City.
4. Identifies debt structuring characteristics addressing repayment terms, tax exempt status, prepayment provisions, sale to accredited investors and credit ratings.
5. Discusses the three methods for selling the City's debt and the preferred method of sale.
6. Provides a process for underwriter selection for negotiated sales.
7. Provides the basis of award for bond sales.
8. Provides the basic guidelines for the City's debt management:
 - Required Debt service cash flow monitoring.
 - Targeted debt level maximum for voted G.O. debt (66% of statutory debt capacity).
 - Targeted debt level maximum for non-voted General Fund debt (66% of legal debt limit).
 - Targeted debt level maximum for annual appropriation obligations (capital leases) which would be 1% of General fund Expenditures in the preceding year.
 - Basis for issuance of revenue debt (enterprise funds).
 - Criteria for securing the issuance of special improvement district debt and curb & gutter debt.
 - Guidelines for the issuance of tax increment debt.
 - Criteria for the refunding of City debt.
 - Criteria for the use of derivatives (currently illegal for Montana cities).
9. Establishes interim reporting to the Mayor and Council.
10. Other administrative procedures and guidelines for the City Finance office.

This Debt Management Policy is adopted to promote the effective use of debt as a financing tool and to guide decision-making on its application.

Debt Management Policy

I. Statement of Purpose

- A. To preserve the public trust and prudently manage public assets to minimize costs to taxpayers and ensure current decisions positively impact future citizens.
- B. To minimize borrowing costs.
- C. To preserve access to capital markets.
- D. To ensure future financial flexibility in debt financing options.

II. Guidelines for Use of Debt Financing

- A. Debt is a financing tool which should only be judiciously used within the City's legal, financial and debt market capacities.

B. Definitions

1. Debt. The creation of debt occurs when a governing body incurs a financial obligation that cannot, or will not, be repaid from current fiscal period revenues. Debt may be in the form of bond or note.
2. Short Term Debt. For purposes of this policy, Short Term Debt means debt with a repayment term of less than 5 years.
3. Long term Debt. For purposes of this Policy, Long Term Debt means debt with repayment terms beyond the term of the Short Term Debt, up to the maximum term allowable by law, generally twenty years.
4. Cash Flow Financing. Cash flow financing means tax and revenue anticipation notes (TANS and RANS) that are issued in anticipation of the receipt of the revenues, and tax dollars levied and appropriated and expected to be received in the fiscal year in which the note is issued. Because TANS and RANS are payable from current year revenues they do not constitute debt.

C. General Conditions for the Use of Long-term Debt

Debt will be considered when some or all of the following conditions exist:

1. Estimated future revenues are sufficient to ensure the long-term viability of repayment of the debt obligation;
2. Other financing options have been explored and they are not viable for the timely or economic acquisition or completion of a capital project;
3. A capital project is mandated by federal or state authorities with no other viable funding option available; and
4. The asset useful life lends itself to long term debt financing.

D. Debt Issuance versus Pay-As-You-Go (PAYG) Financing

The City shall seek to appropriately use PAYG financing, when feasible, based on the following criteria:

1. The project can be adequately funded from available current revenues and fund balances;
2. The project can be completed within an acceptable timeframe when funded from current revenues;
3. Additional debt levels could adversely impact credit ratings or capacities to repay existing obligations;
4. Market conditions are such that PAYG presents a favorable option; or
5. The asset's useful life itself is not conducive to long term debt financing.

III. Types of Debt

The City may have choices as to the type of debt which would best meet the needs of the particular financing and its overall objectives. The following is a listing of the types of debt and general guidelines as to their use.

A. General Obligation and Related Debt

1. *General Obligation (G.O.)*. General Obligation bonds provide the investor with its most secure City transaction, because of the City's pledge of its unlimited authority to levy ad valorem property taxes for debt service. G.O. bonds require voter approval to be issued. The overall amount of G.O. bonds is limited by statute.
2. *General Fund Bonds*. General Fund bonds are secured by a long-term pledge by the City of General Fund revenues. It differs from a G. O. bond in that it is not a long-term pledge of an unconditional levy of property taxes. The issuance of General Fund bonds has three statutory restrictions: a) no single issue can exceed 10% of the General Fund budget for each of the two preceding years; b) at the time of issuance the total of all such debt service cannot exceed 2% of the General Fund's revenues for each of the two preceding years; and c) the maximum term of any issue cannot exceed 20 years.
3. *Annual Appropriation Obligations*. These obligations are financial contracts which are secured solely by the City's pledge to annually consider an appropriation for their payment. As this consideration is on an annual basis, the obligations do not provide a legally binding commitment for a long-term pledge of repayment. They are less secure to the investor due to the risk of non-appropriation. The City has the potential to use annual appropriation obligations for either governmental purpose projects or as additional security for economic development projects. The City will consider its use in the latter case only in extreme situations and then only for public improvements having a city-wide benefit. In economic development applications the City will look to the related economic development revenues to provide full payment of all obligations and to have a minimum coverage level of 130%.

B. Revenue Debt

1. *Revenue Bonds* can be issued to fund certain types of revenue producing municipal enterprises, infrastructure systems or in relation to economic development projects. Revenue bonds are secured by the revenues of the particular system or project being

financed. Revenue bonds are not secured by general municipal revenues or the general property tax.

2. *Tax Increment Financing (TIF) Debt*; this type of revenue bond is secured by TIF revenues from a TIF district or an individual TIF project. TIF bonds can only fund eligible project costs permitted under the statute. In certain cases TIF bonds may be issued as federally taxable securities due to the nature of expenditures and the special augmented security provided by private parties involved with a development.

C. Special Assessment Debt

1. *Special Improvement District (SID) Debt*; this type of bond is secured by special assessments levied on specific properties for related municipal infrastructure improvements which specially benefit those particular properties. The statute requires a 5% contribution to an overall SID revolving fund, and the provision for up to an additional 5% for the funding of a debt service reserve fund specific to a particular bond issue, if necessary to secure and market the debt.
2. *Curb and Gutter Debt*; this type of bond is secured by special assessments levied on specific properties for these improvements which specially benefit those particular properties. The statute requires a 5% contribution to an overall SID revolving fund.

D. Conduit Bonds

The City may act as an issuer for a private or non-profit party. In these cases the City acts as a 'conduit' issuer of tax-exempt bonds as defined by federal and state law. Conduit bonds are secured solely by revenues of the private or non-profit party, and are not an obligation of the City.

E. Debt Structuring Characteristics

In general the City will seek to structure its debt issues with these terms. The City recognizes that certain debt transactions may require deviations from these terms given the specific financial conditions.

1. *Repayment Term*. The City will structure its debt to comply with all federal and state and local requirements as to repayment terms. The City will seek to repay its debt in an expeditious manner within the City's overall financial objectives and in consideration of the dedicated repayment revenue source(s) and the useful life of the project.
2. *Taxable debt*. The City shall primarily seek to issue and/or guarantee only tax-exempt debt and avoid taxable debt to reduce interest expenses. However, the City recognizes that in certain cases the issuance of taxable debt may be required and/or beneficial to the City in reducing its risk for a particular project. Prior to issuing taxable debt the City will complete an evaluation of the cost and risk differentials.
3. *Prepayment Provisions*. Redemption provisions and call features shall be in compliance with particular statutory provisions by type of issue, and be evaluated in the context of each bond sale to enhance marketability of the bonds; to ensure flexibility related to potential early redemption; to foster future refunding transactions; or in consideration of special conditions of the transaction. Additional cost of call premium and higher interest rates as a result of including a call provision shall also be evaluated.

4. *Sale to Accredited Investors.* Certain issues may be of a highly speculative nature due to the type of project or the revenue structure. The City wants to ensure that all of its issues are purchased by investors fully knowledgeable of the risks involved with the investment. For highly speculative issues the City will require the purchase by qualified investors, those generally defined by the Securities and Exchange Commission, Regulation D. To ensure these types of investors are maintained both in the primary and secondary bond markets, the City will require either minimum denominations of \$50,000 or that all future investors are accredited.
5. *Credit Ratings.* The City will seek to obtain investment grade credit ratings when possible. Credit ratings provide a standard for proper bond structuring, generally expand the market thereby reducing overall financing costs and provide an independent assessment of overall financial condition.

IV. Bond Sale

A. Method of Sale

Three methods of sale exist for the placement of municipal bonds:

1. *Competitive sale.* Bonds are marketed to a wide audience of investment banking (underwriting) firms. Their bids are submitted at a specified time. The underwriter is selected based on its best bid (lowest true interest cost) for its securities.
2. *Negotiated sale.* The City selects the underwriter or group of underwriters of its securities in advance of the bond sale. The City financing team works with the underwriter to bring the issue to market and negotiates all interest rates and terms of the sale.
3. *Private placement.* The City sells its bonds to a limited number of sophisticated investors, and not the general public. Private placement bonds are often characterized as having higher risk or a specific type of investor base.

B. Preferred Method of Sale

The City will sell their municipal bond issues on a competitive basis unless specific conditions exist which warrant a different manner. Such conditions may include:

1. A bond structure which is not conducive to a competitive bond sale due to its structure;
2. An issue which lacks an investment grade rating or has complex security provisions;
3. An issue with a small principal amount; and
4. A municipal bond market which is experiencing significant volatility.

Regardless of the conditions above, the City must follow the particular statutory provisions for the method of sale for each type of issue. Further, on all sales the City will obtain an opinion from its financial advisor as to the reasonableness of the financing structure and the proposed interest rates.

C. Selection of Underwriter for Negotiated Sales

For negotiated sales, the City will select an underwriter(s) through a competitive process. This process will include a request for proposals from firms considered appropriate for the underwriting of the particular issue. The Director of Finance will set criteria deemed appropriate for the evaluation of underwriter proposals and select the underwriter(s) based on such criteria.

D. Award of Sale

The City and its agencies will award the sale of its bonds on a true interest cost (TIC) basis. A TIC basis considers the time value of money in its calculation.

V. Guidelines for Debt Management

Proactive debt management is a key component to the immediate and long-term success of the City's financial objectives. A successful debt management program begins with comprehensive information on the current debt program status and definition of the future direction of the City's capital financing objectives.

The City recognizes that a negative event relating to the repayment of any of its issues will have significant long term adverse consequences for all future debt obligations regardless of type. The City will seek to incorporate into each of its issues sufficient security provisions to mitigate this risk.

A. Debt Service Cash Flow Monitoring

The City shall maintain a system of debt service revenue forecasting for each of its major debt categories. For revenue only transactions the City will assess the probability of future collections of pledged revenues.

B. Guidelines for Targeted Debt Level Maximums

Maintaining the appropriate levels of debt is important to preserve capacity for future infrastructure investments and to position for high credit quality. Each type of debt has its own appropriate level. The appropriate levels are internally determined based on a variety of factors, such as: infrastructure investment needs of the particular service area, capacity to repay debt from the specific revenue source, and the sector's credit rating objectives. Since these factors can change over time, any debt guideline must be periodically reviewed to reflect evolving City conditions.

1. General Obligation Debt

The sum of all City direct debt by type shall not exceed the lesser of:

Percent of Assessed Valuation	66% of legal debt limit
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2. General Fund Debt

Principal Of Each Debt Issue Not To Exceed : (a) 10% of General Fund Budget each preceding two years, and (b) total debt service for all outstanding debt (66 % of General Fund Legal limit = 66% X 2% Revenues for each preceding two years) = 1.32% (of General Fund revenues) which is the targeted limit for General Fund debt issuance.

3. Annual Appropriation Obligations (i.e. capital leases)

Percent of General Municipal Expenditures in preceding year: - 1.0 %

4. Revenue (Enterprise) Obligations

Each type of enterprise fund revenue debt has an estimated capacity caused by its financial position, user rate revenue generation capability, and existing and anticipated future debt requirements.

5. Special Improvement District; Curb and Gutter Revenue Bonds;

The City will seek to maintain a security profile which will assist in mitigating any exposure of revenue deficiency draws against the overall revolving fund and funded reserve levels, and where possible obtain investment-grade credit ratings. The City recognizes that having to draw upon the revolving fund, supplemental reserves or a payment default puts at risk the City's ability to efficiently fund all outstanding and future related issues. To maintain appropriate security the City will generally require the following security profile to each of these issues;

- a. Funding of the 5% SID Revolving Fund is mandatory,
- b. Financing improvements to properties where at least 50% have structures on the parcels, and
- c. Assessments to Market Value being less than 33%.

If these conditions cannot be met and the City still wishes to issue the bonds, then the City may seek one or more of the following additional risk mitigation approaches

- d. Debt Service Reserve equal to an additional 5% may be established for a specific debt issue,
- e. Require the project to be constructed and financed in multiple phases, or
- f. Require supplemental private party guarantees in the form of direct pay letters-of-credits from financial institutions with industry credit ratings of good or higher.

6. Tax Increment Financing Debt;

Where possible the City will seek to have pay-as-you-go TIF debt, wherein the project's private beneficiary receives debt payments over a period of time only from actual revenue collections. Where the project or financing does not lend itself to a PAYG approach, the City will require the individual TIF issues to have a funded debt service reserve, coverage at a minimum of 125%, an executed development contract clearly specifying the developer's requirements as to timing and valuation of development with suitable remedies for the City in the event of non-performance. Where appropriate the City will seek such other security guarantees as are deemed necessary solely by the City, regardless of the tax standing of the particular issue.

7. Defeasance, Prepayment and Refunding

The accelerated retirement and restructuring of debt can be valuable debt management tools. Accelerated retirement occurs through the use of defeasance and the exercise of prepayment provisions. Debt is often restructured through the issuance of refunding bonds.

The federal government has placed significant conditions on the tax-exempt refunding of outstanding issues. Refundings have two general categories:

Current refundings, where the refunding bonds are settled within 90 days of an optional prepayment date; and

Advance refundings, where refundings are settled more than 90 days in advance of an optional prepayment date. The federal restrictions are that any issue can only be advance refunded once on a tax-exempt basis.

On advance refundings the City will seek to obtain a minimum present value savings level of 3% of the present value of refunded debt service.

State law requires a demonstration of savings of 0.5% reduction in the average coupon interest rate between the refunding and refunded bonds.

8. Derivatives

Montana municipalities are not currently authorized to use derivatives. If state law authorizes municipalities to use derivatives, the City would consider their use in conjunction with significant evaluation as to the risks and benefits and with the advice of independent industry professionals. If used, the City would follow the Government Finance Officers Association's Recommended Practice on the use of Derivatives.

VI. Interim Reporting

The Director of Finance will provide the Mayor, City Council and Chief Administrative Officer a summary debt report at minimum at six-month intervals within 30 days of each December 31st and June 30th. While the contents of the summary debt report may vary over time, at minimum it will cover the actual experience to the Guidelines for Targeted Debt Maximums.

VII. Compliance

A. Compliance with Statutory and Code of Ordinances

The authority and manner in which the City issues its bonds are in large part dictated by the conveyed state statutory authority. The statutes provide numerous requirements on the issuance and structuring of City bonds, with variations by type of debt. The City will follow all statutory requirements in the issuance and structuring of its debt obligations, as well as ordinances provisions relative to debt issuance, term of debt, structuring, method of sale, etc.

B. Monitoring of Covenant Compliance

The City's revenue bonds generally have a number of bond covenants requiring ongoing compliance and conditions for future bond issuance on an equal security ('parity') basis. The City will maintain a compliance monitoring system by revenue bond type of all bond covenants. The system will track trends in coverage levels over time and capacity availability under the additional bonds covenants.

C. Federal Arbitrage and Rebate Compliance

1. The City will fully comply with the federal arbitrage and rebate regulations. Concurrent with this policy, the City will take all permitted steps to minimize any rebate liability through proactive management in the structuring and oversight of its individual debt issues.

2. All of the City's tax-exempt issues and obligations are subject to arbitrage compliance regulations. The Finance Department and the requesting departments shall be responsible for the following:
 - a. Using bond proceeds only for the purpose and authority for which the bonds were issued. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds will be expended within the three-year temporary period.
 - b. Performing rebate calculations on certain construction funds as determined by IRS. The City will engage an arbitrage consulting firm to perform annual rebate calculations.
 - c. Performing rebate computations annually, but in no event later than each five-year anniversary date of the issuance and at the final maturity for all bonds. Examining whether the City met the rebate exception calculation rules.
 - d. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.
 - e. Monitoring expenditure of the bond proceeds and exercising best efforts to spend bond proceeds in such a manner that the City shall meet one of the spend-down exemptions from rebate.
 - f. Monitoring the investment of bond proceeds with awareness of rules pertaining to yield restrictions.

To the extent rebate liability exists, the City will report such liability in its comprehensive annual financial report (CAFR).

VIII. Disclosure Compliance

A. Introduction

Disclosure is both a regulatory requirement and a highly advisable means to enhance the marketing of the City's bonds. The Securities and Exchange Commission (SEC) regulates both primary disclosure, the initial marketing of a bond issue, and continuing disclosure, the ongoing information to the market about the status of the issue and issuer. Initial and ongoing disclosure are subject to the anti-fraud provisions of the securities laws, requiring an issuer to provide all material information about a bond issue and the security for the bond issue. In addition to general anti-fraud issues, the SEC regulates the manner in which bond underwriters can underwrite municipal securities. SEC Rule 15c2-12 (the "Rule") requires, among other things, that an underwriter obtain an official statement meeting certain requirements. The Rule also prohibits and underwriter from marketing municipal securities unless the issuer enter into an undertaking to provide continuing disclosure to the market.

Adequate disclosure on both a primary and continuing basis can enhance the marketability of the City's bonds by providing potential investors with current and professional information regarding the City. Timely and accurate completion of these tasks both influences investors' decisions on purchasing the City's bonds and contributes to the competitive audience for the City's bonds.

The City will fully comply with disclosure regulations.

B. Primary

In the preparation of official statements the City will follow professional and market standards in the presentation of disclosure about its bond issues. The City will facilitate the distribution of the official statements in a timely manner to allow investors adequate time to make their investment decisions in an informed manner. The City will disclose all material information about its bond issue and the security for the bond issue

The City will execute continuing disclosure undertakings in a manner to fully comply with regulatory provisions and ensure a full disclosure of appropriate information to the market.

C. Secondary

The City will meet all substantive and time requirements in its annual continuing disclosure filings, which include making the City's CAFR available to the public 180-270 days after the fiscal year end. The City will keep current with any changes in both the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event a 'material event' occurs requiring immediate disclosure, the City will ensure information flows to the appropriate disclosure notification parties in a timely manner.

Any filing may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org>, unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

CITY OF MISSOULA INVESTMENT POLICY

Revised February 2000

Modeled After Government Finance Officers Association
Sample Investment Policy
Committee on Cash Management

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I. Scope

This policy applies to the investment of short-term operating funds. Proceeds from certain bond issues will be covered by a separate policy.

1. *Pooling of Funds*

Except for cash in certain restricted and special funds, the City of Missoula will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

II. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. *Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The City of Missoula will minimize credit risk, the risk of loss due to the failure of the security issuer *or* backer, by:

- Limiting investments to the safest types of securities
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City of Missoula will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

b. Interest Rate Risk

The City of Missoula will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
 - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

3. *Yield*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. A security swap would improve the quality, yield, or target duration in the portfolio.
3. Liquidity needs of the portfolio require that the security be sold.

III. Standards of Care

1. *Prudence*

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Missoula.

3. *Delegation of Authority*

Authority to manage the investment program is granted to the City's Finance Director/Treasurer, hereinafter referred to as investment officer and derived from the following: 7-6-201 M.C.A. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the

terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

IV. Safekeeping and Custody

1. *Authorized Financial Dealers and Institutions*

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the City of Missoula's investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer. (See the GFOA Recommended Practice on "Governmental Relationships with Securities Dealers," in Appendix 3.)

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the appropriate legislative or governing body in advance.

2. *Internal Controls*

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Missoula are protected from loss, theft or misuse. The internal control structure shall be designed

to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record-keeping
- Custodial safekeeping
- Avoidance of physical delivery securities

- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

3. *Delivery vs. Payment*

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

V. Suitable and Authorized Investments

1. *Investment Types*

Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law (7-6-2 01 M.C.A., 7-6-202 M.C.A., 7-6-206 M.C.A. 17-6-204 M.C.A.) where applicable:

7-6-201. Deposit of public funds in financial institutions. (1) Except as provided in 7-6-202, 7-6-206 or 7-6-2701, it shall be the duty of all county and city treasurers and town clerks to deposit all public money in their possession and under their control in any solvent banks, building and loan associations, savings and loan associations, or credit unions located in the county, city, or town of which such treasurer is an officer, subject to national supervision or state examination as the local governing body may designate, and no other.

(2) Said local governing body is hereby authorized to deposit such public money not necessary for immediate use by such county, city, or town in a savings or time deposit with any bank, building and loan association, savings and loan association, or credit union authorized above or in a repurchase agreement as authorized in 7-6-213.

(3) The treasurer or town clerk shall take from such bank, building and loan association, savings and loan association, or credit union such security as the local governing body may prescribe, approve, and deem fully sufficient and necessary to insure the safety and prompt payment of all such deposits, together with the interest on any time or savings deposits.

(4) All such deposits shall be subject to withdrawal by the treasurer or town clerk in such amounts as may be necessary from time to time. No deposit of funds shall be made or permitted to remain in any bank, building and loan association, savings and loan association, or credit union until the security for such deposits shall have been first approved by the local governing body and delivered to the treasurer or town clerk.

7-6-202. Investment of public money in direct obligations of United States. (1) A local governing body may invest public money not necessary for immediate use by the county, city, or town in the following eligible securities:

(a) United States government treasury bills, notes, and bonds and in United States treasury obligations, such as state and local government series (SLGS), separate trading of registered interest and principal of securities (STRIPS), or similar United States treasury obligations;

(b) United States treasury receipts in a form evidencing the holder's ownership of future interest or principal payments on specific United States treasury obligations that, in the

absence of payment default by the United States, are held in a special custody account by an independent trust company in a certificate or book-entry form with the federal reserve bank of New York; or

(c) obligations of the following agencies of the United States, subject to the limitations in subsection (2):

- (i) federal home loan bank;
- (ii) federal national mortgage association;
- (iii) federal home mortgage corporation; and
- (iv) federal farm credit bank.

(2) An investment in an agency of the United States is authorized under this section if the investment is a general obligation of the agency and has a fixed or zero-coupon rate and does not have prepayments that are based on underlying assets or collateral, including but not limited to residential or commercial mortgages, farm loans, multifamily housing loans, or student loans.

(3) The local governing body may invest in a United States government security money market fund if;

(a) the fund is sold and managed by a management-type investment company or investment trust registered under the Investment Company Act of 1940 (15 U.S.C. 80a-64), as may be amended;

(b) the fund consists only of eligible securities as described in this section;

(c) the use of repurchase agreements is limited to agreements that are fully collateralized by the eligible securities, as described in this section, and the investment company or investment trust takes delivery of the collateral for any repurchase agreement, either directly or through an authorized custodian;

(d) the fund is listed in a national financial publication under the category of “money market mutual funds”, showing the fund’s average maturity, yield, and asset size; and

(e) the fund’s average maturity does not exceed 397 days.

(4) Except as provided in subsection (5), an investment authorized in this part may not have a maturity date exceeding 5 years, except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

(5) An investment of the assets of a local government group self-insurance program established pursuant to 2-9-211 or 39-71-2103 in an investment authorized in this part may not have a maturity date exceeding 10 years, and the average maturity of all those authorized investments of a local government group self-insurance program may not exceed 6 years.

(6) This section may not be construed to prevent the investment of public funds under the state unified investment program established in Title 17, chapter 6, part 2.

7-6-206. Time deposits—repurchase agreement. (1) Public money not necessary for immediate use by a county, city, or town that is not invested as authorized in 7-6-202 may be placed in time or savings deposits with a bank, savings and loan association, or credit union in the state or placed in repurchase agreements as authorized in 7-6-213. Money placed in repurchase agreements is subject to subsection (2).

(2) The local governing body may solicit bids for time or savings deposits from a bank, savings and loan association, or credit union in the state. The local governing body may deposit public money in the institutions unless a local financial institution agrees to pay the same rate of interest bid by a financial institution not located in the county, city, or town. The governing body may solicit bids by notice sent by mail to the investment institutions that have requested that their names be listed for bid notice with the department of administration.

17-6-204. Investment of local government funds. (1) The governing body of any

city, county, school district, or other local government unit or political subdivision having funds which are available for investment and are not required by law or by any covenant or agreement with bondholders or others to be segregated and invested in a different manner may direct its treasurer to remit such funds to the state treasurer for investment under the direction of the board of investments as part of the pooled investment fund.

(2) A separate account, designated by name and number for each such participant in the fund, shall be kept to record individual transactions and totals of all investments belonging to each participant. A monthly report shall be furnished to each participant having a beneficial interest in the pooled investment fund, showing the changes in investments made during the preceding month. Details of any investment transaction shall be furnished to any participant upon request.

(3) The principal and accrued income, and any part thereof, of each and every account maintained for a participant in the pooled investment fund shall be subject to payment at any time from the fund upon request. Accumulated income shall be remitted to each participant at least annually.

(4) No order or warrant shall be issued upon any account for a larger amount than the principal and accrued income of the account to which it applies, and if any such order or warrant is issued, the participant receiving it shall reimburse the excess amount to the fund from any funds not otherwise appropriated, and the state treasurer shall be liable under his official bond for any amount not so reimbursed.

Investment in derivatives of the above instruments is not authorized by the City of Missoula's investment policy. (See the GFOA Recommended Practice on "Use of Derivatives by State and Local Governments," 1994.)

2. *Collateralization*

Where allowed by state law and in accordance with the GFOA Recommended Practices on the Collateralization of Public Deposits, collateralization will be required on non-negotiable certificates of deposit to the extent allowable by state law. (See GFOA Recommended Practices, Appendix 3.) Montana state law (7-6-207 M.C.A. and 7-6-208 M.C.A) establishes the deposit security requirements for City investments:

7-6-207. Deposit security. (1) The local governing body may require security only for that portion of the deposits which is not guaranteed or insured according to law and, as to such unguaranteed or uninsured portion, to the extent of:

(a) 50% of such deposits if the institution in which the deposit is made has a net worth to total assets ratio of 6% or more; or

(b) 100% if the institution in which the deposit is made has a net worth to total assets ratio of 6%. The security shall consist of those enumerated in 17-6-103 or cashier's checks issued to the depository institution by any federal reserve bank.

(2) When negotiable securities are furnished, such securities may be placed in trust. The trustee's receipt may be accepted in lieu of the actual securities when such receipt is in favor of the treasurer or town clerk and his successors. All warrants or other negotiable securities must be properly assigned or endorsed in blank. It is the duty of the appropriate governing body, upon the acceptance and approval of any of the above-mentioned bonds or securities, to make a complete minute entry of the acceptance and approval upon the record of their proceedings, and the bonds and securities shall be reappraised at least quarter-annually thereafter.

7-6-208. Substitution of deposit security. (1) Any bank, building and loan association, savings and loan association, or credit union pledging securities as provided in 7-6-207, at any time it deems advisable or desirable, may substitute like securities for all or any part of the securities pledged. The collateral so substituted shall be approved by the governing body of the county, city, or town at its next official meeting.

(2) Such securities so substituted shall at the time of substitution be at least equal in principal amount to the securities for which substitution is made. In the event that the securities so substituted are held in trust, the trustee shall, on the same day the substitution is made, forward a receipt by registered or certified mail to the county, city, or town and to the depository bank, building and loan association, savings and loan association, or credit union. The receipt shall specifically describe and identify both the securities so substituted and those released and returned to the depository bank, building and loan association, savings and loan association, or credit union.

Securities eligible for pledging to secure deposits of public funds are enumerated in 17-6-103 M.C.A.

3. *Repurchase Agreements*

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements, (See GFOA Recommended Practices, Appendix 3.)

VI. Investment Parameters

1. *Diversification*

The investments shall be diversified by:

- limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investment in securities that have higher credit risks, investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations. (See the GFOA Recommended Practice on "Diversification of Investments in a Portfolio" in Appendix 3.)

2. *Maximum Maturities*

To the extent possible, the City of Missoula shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Missoula will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances. The City of Missoula shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives. (See the GFOA Recommended Practice on "Maturities of Investments in a Portfolio" in Appendix 3.)

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

VII. Reporting

1. *Methods*

The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner, which will allow the City of Missoula to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment officer, the legislative body, and any pool participants.

The report will include the following:

- a. Listing of individual securities held at the end of the reporting period.
- b. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
- c. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- d. Listing of investment by maturity date.
- e. Percentage of the total portfolio, which each type of investment represents.

2. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

3. *Marking to Market*

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." (See GFOA Recommended Practices, Appendix 3.) In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

VIII. Policy Considerations

1. *Exemption*

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. *Amendments*

This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

Appendix 1: Glossary

The following is a glossary of key investing terms, many of which appear in GFOA's Sample Investment Policy.

Accrued Interest — The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency — A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization — The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life — The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Basis Point — A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

Bid — The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value — The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond — A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price — The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk — The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase — A transaction that calls for delivery and payment of securities on the same day that the transaction is initiated.

*This glossary has been adapted from an article, entitled "Investment terms for everyday use," that appeared in the April 5, 1996, issue of *Public Investor*, GFOA's subscription investment newsletter.

Collateralization — Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper - An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Convexity — A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate — The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality — The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk — The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return) — A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) — A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Derivative Security — Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount — The amount by which the par value of a security exceeds the price paid for the security.

Diversification — A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration — A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value — The amount, at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) — Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each

other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate — Interest rate charged by one institution lending federal funds to the other.

Government Securities — An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate — See "Coupon Rate."

Interest Rate Risk — The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls — An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits require estimates and judgments by management. Internal controls should address the following points:

1. Control of collusion — Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping — By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping — Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities — Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third-party custodian - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverted Yield Curve — A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 — Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy — A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity — An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) — An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market — The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk — The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value — Current market price of a security.

Maturity — The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Money Market Mutual Fund — Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mutual Fund — An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus that is updated and filed by the SEC annually.

Mutual Fund Statistical Services — Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

National Association of Securities Dealers (NASD) — A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value — The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$$

No Load Fund — A mutual fund, which does not levy a sales charge on the purchase of its shares.

Nominal Yield — The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Offer — An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par — Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve — A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium — The amount by which the price paid for a security exceeds the security's par value.

Prime Rate — A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal — The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus — A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule — An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Way Delivery — Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk — The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (repo or RP) — An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) — An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act — Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13- month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping — Holding of assets (e.g., securities) by a financial institution.

Serial Bond — A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund — Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap — Trading one asset for another.

Term Bond — Bonds comprising a large part or all of a particular issue that come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return — The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period.

$$(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$$

Treasury Bills — Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000.

Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes — Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds — Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule — SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Volatility — A degree of fluctuation in the price and valuation of securities.

"Volatility Risk" Rating — A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns ("aaa" by S&P; "V-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc-" by S&P, "V-10" by Fitch).

Weighted Average Maturity (WAM) — The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI) — A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield — The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) — The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve — A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity — The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities — Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

Appendix 2: Investment Pools

1. Definition

In most states, there are provisions for the creation and operation of a government investment pool. The purpose of a pool is to allow political subdivisions to pool investable funds in order to achieve a potentially higher yield.

There are basically three (3) types of pools: 1) state-run pools; 2) pools that are operated by a political subdivision where allowed by law and the political subdivision is the trustee; and 3) pools that are operated for profit by third parties. Prior to any political subdivision being involved with any type of pool, a thorough investigation of the pool and its policies and procedures must be reviewed.

2. Pool Questionnaire

Prior to entering a pool, the following questions and issues should be considered:

Securities:

Government pools may invest in a broader range of securities than an entity may invest in. It is important to be aware of, and comfortable with, the securities a pool buys. The following is a list of questions an investment officer may wish to ask a prospective pool:

1. Does the pool provide a written statement of investment policy and objectives?
2. Does the statement contain:
 - a. a description of eligible investment instruments?
 - b. the credit standards for investments?
 - c. the allowable maturity range of investments?
 - d. the maximum allowable dollar weighted average portfolio maturity?
 - e. the limits of portfolio concentration permitted for each type of security?
 - f. the policy on reverse repurchase agreements, options, short sales and futures?
3. Are changes in the policies communicated to the pool participants?
4. Does the pool contain only the types of securities that are permitted by your investment policy?

Interest:

Interest is not reported in a standard format, so it is important to know how interest is quoted, calculated, and distributed in order to make comparisons with other investment alternatives.

Interest Calculations:

1. Does the pool disclose the following about yield calculations:
 - a. the methodology used to calculate interest? (simple maturity, yield to maturity, etc.)
 - b. the frequency of interest payments?
 - c. how interest is paid? (credited to principal at the end of the month, each quarter; mailed?)
 - d. how are gains/losses reported? factored monthly or only when realized?

Reporting:

1. Is the yield reported to participants of the pool monthly? (If not, how often?)
2. Are expenses of the pool deducted before quoting the yield?
3. Is the yield generally in line with the market yields for other investment alternatives?
4. How often does the pool report? What information does that report include? Does it include the market value of securities?

Security:

The following questions are designed to help safeguard funds from loss of principal and loss of market value.

1. Does the pool disclose safekeeping practices?
2. Is the pool subject to audit by an independent auditor at least annually?
3. Is a copy of the audit report available to participants?
4. Who makes the portfolio decisions?
5. How does the manager monitor the credit risk of the securities in the pool?
6. Is the pool monitored by someone on the board of a separate neutral party external to the investment function to ensure compliance with written policies?
7. Does the pool have specific policies with regard to the various investment vehicles?
 - a. What are the different investment alternatives?
 - b. What are the policies for each type of investment?
8. Does the pool mark the portfolio to its market value?
9. Does the pool disclose the following about how portfolio securities are valued:
 - a. the frequency with which the portfolio securities are valued?
 - b. the method used to value the portfolio (cost, current value, or some other method)?

Operations:

The answers to these questions will help determine whether this pool meets the entity's operational requirements:

1. Does the pool limit eligible participants?
2. What entities are permitted to invest in the pool?
3. Does the pool allow multiple accounts and sub-accounts?
4. Is there a minimum or maximum account size?
5. Does the pool limit the number of transactions each month? What is the number?
6. Is there a limit on transaction amounts for withdrawals and deposits?
 - a. What is the minimum and maximum withdrawal amount permitted?
 - b. What is the minimum and maximum deposit amount permitted?
7. How much notice is required for withdrawals/deposits?
8. What is the cutoff time for deposits and withdrawals?
9. Can withdrawals be denied?
10. Are the funds 100 percent withdrawable at anytime?
11. What are the procedures for making deposits and withdrawals?
 - a. What is the paperwork required, if any?
 - b. What is the wiring process?
12. Can an account remain open with a zero balance?
13. Are confirmations sent following each transaction?

Statements:

It is important for (*the designated official*) and the agency's trustee (when applicable), to receive statements monthly so the pool's records of activity and holdings are reconciled by (*the designated official*) and its trustee.

1. Are statements for each account sent to participants?
 - a. What are the fees?
 - b. How often are they passed?
 - c. How are they paid?
 - d. Are there additional fees for wiring funds? (What is the fee?)
2. Are expenses deducted before quoting the yield?

Questions to Consider for Bond Proceeds:

It is important to know (1) whether the pool accepts bond proceeds and (2) whether the pool qualifies with the U.S. Department of the Treasury as an acceptable commingled fund for arbitrage purposes.

1. Does the pool accept bond proceeds subject to arbitrage rebate?
2. Does the pool provide accounting and investment records suitable for proceeds of bond issuance subject to arbitrage rebate?
3. Will the yield calculation reported by the pool be acceptable to the IRS or will it have to be recalculated?
4. Will the pool accept transaction instructions from a trustee?
5. Are separate accounts allowed for each bond issue so that the interest earnings of funds subject to rebate are not commingled with funds not subject to regulations?

Appendix 3: GFOA Recommended Practices and Policy Statements

A complete list of the City's adopted investment practices can be found in Resolution #6301.

RESOLUTION NUMBER 8081

A resolution fixing the annual appropriations and the Capital Improvement Program for the City of Missoula as set forth in the fiscal year 2017 Budget and Capital Improvement Program including the fiscal year 2017 work plans and budgets for the following districts: Tourism Business Improvement District, Business Improvement District, Park District Number 1 and Road District Number 1.

WHEREAS, the City Council of Missoula has deliberated on the Fiscal Year 2017 Budget and held various public hearings for public comment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Missoula, Montana:

SECTION I

That the total budgeted expenditures, transfers-out and year-end fund balance for the City of Missoula, Montana for Fiscal Year 2017 is hereby estimated at \$157,482,558 The breakdown of the funds and estimated local property taxes required are as follows:

Budgeted Expenditures	\$118,409,322
Inter-Fund Transfers Out	21,310,957
Projected End-of year Fund Balance	<u>17,762,279</u>
Total Funds Required	157,482,558
Beginning-of-year Fund Balance	31,044,698
Non-tax Revenues	74,445,502
Inter-fund Transfers In	<u>21,309,853</u>
Sub-total Non-Tax Funds Available	127,800,053
Estimated Property Tax Requirements	<u>\$29,682,505</u>

SECTION II

That annual appropriations and transfers out for various departments of the City of Missoula, Montana for the Fiscal Year 2017 will be controlled and monitored for budgetary compliance at the fund level.

SECTION III

Generally accepted accounting principles (GAAP) require expenditures to be recognized in the fiscal year in which the goods or services are received. Previous fiscal year appropriations for incomplete improvements in progress of construction, or segments thereof entered into under contract or purchase order by the City, are hereby declared authorized appropriations provided they meet the following criteria:

- a. related financing was provided in the prior fiscal year;
- b. the appropriations were not obligated by year end;
- c. the purpose was not included, or rejected, in current budget financing or appropriations; and,

Now, therefore, be it resolved that the City Council of the City of Missoula, Montana shall adopt the Capital Improvement Program for Fiscal Years 2017-2021.

PASSED AND ADOPTED this 15th day of August, 2016.

ATTEST:

APPROVED:

/s/ Martha L. Rehbein
Martha L. Rehbein
Legislative Service Director/City Clerk

/s/ John Engen
John Engen
Mayor

(SEAL)

2016 Certified Taxable Valuation Information

(15-10-202, MCA)
Missoula County
CITY OF MISSOULA

Certified values are now available online at property.mt.gov/cov

1. 2016 Total Market Value ¹	\$	7,390,919,522
2. 2016 Total Taxable Value ²	\$	117,701,984
3. 2016 Taxable Value of Newly Taxable Property.....	\$	2,018,110
4. 2016 Taxable Value less Incremental Taxable Value ³	\$	113,132,406
5. 2016 Taxable Value of Net and Gross Proceeds ⁴ (Class 1 and Class 2).....	\$	-

6. TIF Districts

Tax Increment District Name	Current Taxable Value ²	Base Taxable Value	Incremental Value
URBAN RENEWAL II #1	3,354,090	1,546,186	1,807,904
URBAN RENEWAL III	10,131,604	8,172,844	1,958,760
U R FRONT ST	1,828,962	1,413,035	415,927
HELLGATE URD 1-1H; 20	985,733	1,025,448	- ^
N RESERVE SCOTT ST UR	266,317	295,864	- ^
U R RIVERFRONT TRI	112,904	157,858	- ^
URBAN RENEWAL II #4	594,423	313,637	280,786
N RESERVE SCOT T ST UF	1,301,542	1,195,341	106,201

^ Increment based on the percentage of overall increment for the TIFD

Total Incremental Value \$ 4,569,578

Preparer Tania Cardwell

Date 7/29/2016

¹Market value does not include class 1 and class 2 value

²Taxable value is calculated after abatements have been applied

³This value is the taxable value less total incremental value of all tax increment financing districts

⁴The taxable value of class 1 and class 2 is included in the taxable value totals

For Information Purposes Only

2016 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

I. Value Included in "newly taxable" property	\$	6,143
II. Total value exclusive of "newly taxable" property	\$	0

Resolution Number 8087

A resolution levying taxes for municipal and administrative purposes for the fiscal year 2017.

WHEREAS, The City Council of Missoula has deliberated on the Fiscal Year 2017 Budget and necessary mill levy of property taxes; and,

WHEAREAS, pursuant to House Bill 124 and Senate Bill 265 enacted by the 2001 Montana State Legislature, the City has carry-forward of unlevied tax millage equal to \$1,661,523 (14.687 mills); and,

WHEAREAS, the value of a city mill is \$113,132,172.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MISSOULA, MONTANA:

THAT there is hereby levied upon all taxable property in the City of Missoula, Montana, the following General and Special taxes for municipal and administrative purposes for the Fiscal Year 2017, to-wit:

All Purpose General Fund Levy be established at 206.66 mills;

Employee Health Insurance Levy (within levy cap) be established at 0.04 mills;

Employee Health Insurance Levy (outside levy cap) be established at 42.20 mills;

2012 Aquatics Refunding G.O. Bond Levy at 5.25 mills;

2013 G.O. Refunding Bond Levy be established at 5.93 mills;

Total Levy for the City of Missoula, Montana - 260.08 mills.

AND BE IT FURTHER RESOLVED THAT the City Clerk is directed to enter this resolution into the minutes of the meeting at which this resolution was adopted.

PASSED AND ADOPTED this 15th day of August, 2016

ATTEST:

APPROVED:

/s/ Martha L. Rehbein
Martha L. Rehbein, CMC
City Clerk

/s/ John Engen
John Engen
Mayor

(SEAL)

**DETERMINATION OF TAX REVENUE AND MILL LEVY LIMITATIONS
UNDER SECTION 15-10-420, MCA**

AGGREGATE OF ALL FUNDS /OR _____ FUND
FYE JUNE 30, 2017

COUNTY/CITY/TOWN OF Missoula, Montana

Cells that contain formulas and are locked from changes SALMON
SHADED CELLS
Enter amounts in YELLOW
SHADED CELLS

EXPLANATION
REFERENCE

MAXIMUM PROPERTY TAXES AUTHORIZED:

Ad valorem tax revenue authorized to be assessed prior year (from prior year's determination form - (8a))	23,523,739	(1)
Add: FISCAL YEAR 2017 INFLATION ADJUSTMENT @ 0.50%	117,619	(2)
Less: Property taxes authorized to be assessed in the prior year for Class 1 and 2 property (net and gross proceeds) (enter as negative number)	0	(3)
Adjusted ad valorem tax revenue	23,641,358	(4)

CURRENT YEAR LEVY COMPUTATION:

!!NEW!!- Change from Prior Years' Format!!

In Rows (5), (5a), (5c) & (5d), PLEASE ENTER TAXABLE VALUES, AS WHOLE NUMBERS, DIRECTLY FROM DEPT. OF REVENUE CERTIFIED TAXABLE VALUATION INFORMATION form - "Per Mill" values will auto-calculate.

Enter "Total Taxable Value" amount- from Department of Revenue Certified Taxable Valuation Information form, line # 2.	117,701,984	117,702	(5)
Less: Enter "Total Incremental Value" of all tax increment financing districts (TIF Districts) amount - from Department of Revenue Certified Taxable Valuation Information form, line # 6 (enter as negative)	(4,569,812)	(4,570)	(5a)
Adjusted taxable value per mill (adjusted for removal of TIF per mill incremental district value)		113,132	(5b)
Less: Enter "Total Value of Newly Taxable Property" - from Department of Revenue Certified Taxable Valuation Information form, line # 3 (enter as negative)	(2,018,110)	(2,018)	(5c)
Less: Enter "Taxable Value of Net and Gross Proceeds, (Class 1 & 2 properties)" - from Department of Revenue Certified Taxable Valuation Information form, line # 5 (enter as negative)		0.000	(5d)
Adjusted Taxable value per mill		111,114	(6)
Authorized mill levy under Section 15-10-420, MCA		212.77	(7)
Adjusted taxable value per mill		111,114	(8)
Add: Newly taxable property per mill value	2,018		
Taxable value per mill of net and gross proceeds (Class 1 & 2 properties)	0.000	2,018	(5e)
Taxable value per mill (including newly taxable property but excluding TIF per mill incremental value)		113,132	(5b)
Authorized mill levy under Section 15-10-420, MCA		212.77	(7)
Current property tax revenue authorized limitation		24,070,744	(8a)

RECAPITULATION:

Adjusted ad valorem tax revenue	23,641,358	(4)
Amount attributable to newly taxable property	429,386	(9)
Amount attributable to net/gross proceeds	0	(10)
Current property tax revenue authorized limitation	24,070,744	(8a)

RESOLUTION NUMBER 8089

A resolution levying taxes on the lots, pieces and parcels of land located in the Downtown Business Improvement District of the City of Missoula for fiscal year 17 in the amount of \$287,820.13 in accordance with 7-12-1132 MCA.

WHEREAS, pursuant to 7-12-1101, et seq., MCA, the City of Missoula is authorized to create business improvement districts (BID); and

WHEREAS, on April 4, 2005, the Missoula City Council adopted resolution [6898](#) creating a business improvement in downtown Missoula and on March 22, 2010, the City Council adopted resolution [7511](#) to extend the duration of the business improvement district for a period of ten years; and

WHEREAS, on June 8, 2015, the City Council adopted Resolution [7958](#) extending the boundaries of the BID; and

WHEREAS, the Mayor with the advice and consent of the City Council has appointed a Board of Trustees in accordance with 7-12-1121, MCA; and

WHEREAS, whereas, in accordance with 7-12-1132, MCA, the BID Board has submitted a work plan and budget for fiscal year 2016; and

WHEREAS, in accordance with 7-12-1132, the City Council has held a public hearing on the BID work plan and budget for fiscal year 2017, and has approved it as part of the city FY 2017 budget, and

WHEREAS, resolution [7511](#) sets forth the annual assessment formula for the district; and

WHEREAS, the BID has been in existence since April 4, 2005; and

NOW THEREFORE BE IT RESOLVED, the City Council of the City of Missoula hereby levies and assesses a tax on the lots, pieces and parcels of land located in the BID as shown on Exhibit A for fiscal year 2016 according to the following table:

Type of Property	BID Zone 1	BID Zone 2
All property not referred to below	\$200 plus 2.5% of the property's taxable value	\$150 plus 2.0% of the property's taxable value
Land owned by the United States Federal Government	Exempt	Exempt
City land	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
City park land	\$200 plus 1.0 cent per square foot	\$150 plus 1.0 cent per square foot
County Land	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
Missoula Parking Commission	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
Property zoned primarily residential deemed by the Council to be Missoula Zoning Districts R-1, R-2, and R-3	Exempt	Exempt

BE IT FURTHER RESOLVED, that the City Treasurer and the Montana Department of Revenue are hereby instructed to not assess properties located within the Business Improvement District for which the property taxpayer has qualified for property tax assistance as provided by 15-6-134 and 15-6-191, MCA.

BE IT FURTHER RESOLVED, that the taxes for the Downtown Business Improvement District in the amount of **\$ 287,820.13** and listed on Exhibit A are now due and payable to the City Treasurer of the City of Missoula and will be delinquent on November 30, 2016, and May 31, 2017, at 5:00 p.m.

PASSED AND ADOPTED this 22nd day of August, 2016.

ATTEST:

APPROVED:

Martha L. Rehbein
City Clerk

John Engen
Mayor

RESOLUTION NUMBER 8088

A RESOLUTION LEVYING ANNUAL ASSESSMENTS ON THE HOTELS LOCATED IN THE TOURISM BUSINESS IMPROVEMENT DISTRICT OF THE CITY OF MISSOULA FOR FISCAL YEAR 2017 IN THE AMOUNT OF \$2 PER OCCUPIED ROOM NIGHT IN ACCORDANCE WITH 7-12-1132 MCA.

WHEREAS, pursuant to 7-12-1101, et seq., MCA, the City of Missoula is authorized to create tourism business improvement districts (BID); and

WHEREAS, on October 25, 2010, the Missoula City Council adopted resolution [7576](#) creating a tourism business improvement for a period of ten years; and

WHEREAS, on March 25, 2013, the Missoula City Council adopted resolution [7766](#) changing the assessment from \$1 to \$2 per occupied room night for properties in the district; and

WHEREAS, the Mayor with the advice and consent of the City Council has appointed a Board of Trustees in accordance with 7-12-1121, MCA; and

WHEREAS, in accordance with 7-12-1132, MCA, the TBID Board has submitted a work plan and budget for fiscal year 2017; and

WHEREAS, pursuant to section 7-12-1143 MCA, the annual work plan and budget includes funding for adequate liability coverage insuring the district, the Board, and the City of Missoula against legal liability for personal injury and property damage in an amount sufficient to cover the City of Missoula's statutory liability limits as stated in Sect. 2-9-108(1), MCA.

WHEREAS, in accordance with 7-12-1132, the City Council has held a public hearing on the TBID work plan and budget for fiscal year 2017, and has approved it on August 15, 2017, and

WHEREAS, resolution [7766](#) sets forth the annual assessment formula for the district as \$2 per occupied room night on hotels located in the TBID as shown on Exhibits A and B for fiscal year 2017.

NOW THEREFORE BE IT RESOLVED, the City Council of the City of Missoula hereby levies and assesses a \$2 per occupied room night on the hotels located in the TBID as shown on Exhibit A for fiscal year 2017. A "hotel" is defined as any building containing individual sleeping rooms or suites providing overnight lodging facilities for periods of less than 30 days to the general public for compensation. The term "hotel" includes a facility represented to the public as a hotel, motel, resort, condominium inn, dude ranch, guest ranch, hostel, public lodging house, bed and breakfast facility, or other similar structure or portion thereof which meet this criteria and are located within the boundaries of the district.

BE IT FURTHER RESOLVED, that it is intended that hotel properties located outside of the corporate limits of the City of Missoula and those hotel properties located inside the corporate limits of the City of Missoula but not included within the boundaries of the Missoula TBID are not subject to assessments. However, the owner(s) of these properties may voluntarily contribute donations to the District to assist the District with its mission and goals. These donations shall be reported, invoiced, billed, collected and deposited in a manner similar to regular assessments.

BE IT FURTHER RESOLVED, that in accordance with §7-1-4124 (7) MCA, the Missoula TBID is authorized to solicit and accept contributions, bequests, donations, or grants of money, property, services, or other advantages as long as they are not contrary to the public interest.

BE IT FURTHER RESOLVED, that TBID and/or its authorized agent shall invoice and collect TBID assessments on behalf of the TBID on a quarterly basis. Assessments and collections shall be subject to

the collection policy approved by Tourism Business District Board of Directors. Revenues collected shall be deposited into a fund designated for the TBID.

PASSED AND ADOPTED this 22nd day of August, 2017.

ATTEST:

APPROVED:

Martha L. Rehbein, CMC
City Clerk

John Engen
Mayor

Tourism Business Improvement District Properties--Exhibit A							
Geocode	Assessment Code	Owner	Hotel/Motel	Property Address	Property City/State/Zip	Legal Description	
2200-05-3-03-02-0000	3196702	GRANT CREEK INN LLC	BEST WESTERN PLUS GRANT CREEK INN	5280 GRANT CREEK RD	MISSOULA, MT 59808-1492	TOWNE CENTER, S06, T13N, R19W	
2200-05-3-01-17-0000	1787803	SUBRAVANI INVESTMENTS LLC	QUALITY INN & SUITES	4545 N RESERVE ST	MISSOULA, MT 59808	SUMMIT HOTEL ADDITION, S05, T13N, R19W, Lot 2, ACRES 0.99	
2200-06-1-01-16-0000	2012090400	MC CVM LLC	COURTYARD INN BY MARRIOTT	4559 N RESERVE ST	MISSOULA, MT 59808	SUMMIT HOTEL ADDITION, S06, T13N, R19W, Lot 1, ACRES 2.22	
2200-22-4-07-01-0000	2334073	DOUBLE TREE HOTEL/MISSOULA EDGEWATER	DOUBLETREE HOTEL	100 MADISON ST	MISSOULA, MT 59802	MCWHRK ADDITION, S22, T13N, R19W, BLOCK HARTMAN, Z & Z-1 NE4SE4, NE4 SE4	
2200-08-2-03-14-0000	5830532	WESTERN HOSPITALITY GROUP LP	HILTON GARDEN INN	3720 N RESERVE ST	MISSOULA, MT 59808	MISSOULA HILTON, S08, T13N, R19W, Lot 1, 284808 SQUARE FEET	
2200-22-4-06-24-0000	3282306	CLARK FORK HOTEL INVESTORS LLC	COMFORT INN UNIVERSITY	1021 E BROADWAY	MISSOULA, MT 59802	S22, T13N, R19W, C.O.S. 4403, PARCEL 1 & 2	
2200-22-2-07-01-0000	25606	MISSOULA HOTEL 2006	HOLIDAY INN DOWNTOWN AT THE PARK	200 PATHEE ST	MISSOULA, MT 59802	MISSOULA ORIGINAL TOWN SITE, S22, T13N, R19W, BLOCK 6, Lot 17- 22, 146508 SQUARE FEET, & BLOCK 9 Lots 1-22	
2200-21-1-28-01-0000	1864500	RASMIPROPERTIES LLC	RED LION INN	700 W BROADWAY	MISSOULA, MT 59802	WJ MCCORMICKS ADDITION, S21, T13N, R19W, BLOCK 49, Lot 1- 20, VAC ALLEY	
2200-07-1-01-02-0000	5844913	ENCE PROPERTIES dba STAYBRIDGE SUITES	STAYBRIDGE SUITES	120 EXPRESSWAY	MISSOULA, MT 59802	STAYBRIDGE, S07, T13N, R19W, Lot 3, 96089 SQUARE FEET	
Hotel/Motels that are participating but are not in the district:							
Geocode	Assessment Code	Owner	Hotel/Motel	Property Address	Property City/State/Zip	Legal Description	Notes
2200-07-1-01-11-0000	4584494	GRANT CREEK LLC	HOLIDAY INN EXPRESS & SUITES	150 EXPRESSWAY BLVD	MISSOULA, MT 59808	STAYBRIDGE, S07, T13N, R19W, Lot 1, 35884 SQUARE FEET	In City
2199-01-1-02-14-0000	3475905	MISSOULA VENTURES LLC	VMINGATE INN	5252 AIRWAY BLVD	MISSOULA, MT 59802	MISSOULA DEVELOPMENT PARK - PHASE 2, S01, T13N, R20W, BLOCK 11, Lot 1	Not in City
2200-31-4-30-20-0000	5854056	RMFH8 LLC AN IDAHO LIMITED LIABILITY COMPANY	GUESTHOUSE INN, SUITES & CONFERENCE CENTER	3803 BROOKS ST	MISSOULA, MT 59804	RUSSELL BRYAN #2, S31, T13N, R19W, Lot 2	In City
2200-21-1-31-01-0000	2458003	WIRTH WETTE MTRUSTEE	AMERICA'S BEST VALUE INN	420 W BROADWAY	MISSOULA, MT 59802	WJ MCCORMICKS ADDITION, S21, T13N, R19W, BLOCK 17, Lot 13 - 17	In City
2200-05-3-01-09-0000	5844173	ERCK INCORPORATED	RUBY'S INN & CONVENTION CENTER	4825 N RESERVE ST	MISSOULA, MT 59808	RUBY ERCK ADDITION, S05, T13N, R19W, Lot 2A, RUBY ERCK NORTHGATE BUSINESS CENTER-LOT 3	In City

Resolution Number 8095

A resolution of the City Council of the City of Missoula, Montana, levying and assessing the lots and parcels within the City of Missoula Road District Number 1 in the amount of \$1,645,581 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2017 for city-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street Division, Central Service's Vehicle Maintenance Division and Development Service's Engineering Division providing for a method of assessments; and providing for other matters properly relating thereto.

**CITY OF MISSOULA
Missoula County, Montana**

City of Missoula Road District Number 1

Be it resolved by the City Council of the City of Missoula, Montana:

Whereas, the City of Missoula, Montana (the "City") is a municipality duly organized and existing under and by virtue of the Constitution and laws of the State of Montana;

Whereas, the City Council of the City (the "Council") is authorized by Montana Code Annotated ("MCA"), Title 7, Chapter 11, Part 10, as amended, to create special districts to provide maintenance, purchasing and improvement services for City-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street, Engineering, and Vehicle Maintenance Divisions to the inhabitants of the special district;

Whereas, the Council is authorized by MCA, Title 7, Chapter 11, Part 10, as amended, to finance the maintenance, purchasing and improvement services within the special district by levying an assessment on the lots and parcels within the boundaries of the special district;

Whereas, after providing notice and conducting the public hearing required by MCA 7-11-1007, the City adopted Resolution No. 7563 on September 13, 2010, (the "Creation Resolution") creating a special district to known as the "City of Missoula Road District Number 1" (the "District") for the purpose of providing services including but not limited to: (1) maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of right-of-way; and/or (2) implementation of measures required to maintain public health and safety or meet legal or regulatory requirements; and/or (3) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein; and/or (4) any other functions and/or labor, supplies and materials necessary for management and maintenance of City-owned facilities, lands and equipment under the responsibility and care of the City's Public Works Department's Street, Engineering, and Vehicle Maintenance Divisions including but not limited to: streets, alleys, driveways, alley approaches, sidewalks, curbs and gutters, medians, boulevards, lighting, parking lots, support facilities, public amenities, storm water facilities, and traffic control inclusive of traffic signals, signs, and pavement markings, and other public facilities located in the public right-of-way and/or within public easements (collectively, the "Services and Improvements");

Whereas, after providing public notice and conducting a public hearing, the Council adopted ordinances 3491 and 3492 on January 28, 2013, and February 11, 2013, respectively finalizing the creation of the Development Services Office and transferring responsibilities for Engineering Services from the Public Works Department to Development Services and said ordinances are now in effect;

Whereas, after providing public notice and conducting a public hearing, the Council adopted Resolution 7736 on September 24, 2012, establishing a funding assistance program for curb and sidewalk assessments for public right-of-way construction projects, identified the City of Missoula Road District Number 1 as a funding source for ongoing fiscal support of public right-of-way improvement projects and announced the Council's intention to include fiscal support for public right-of-way improvement projects from City of Missoula Road District Number 1 in fiscal year 2014;

Whereas, the Mayor and City Council created a Central Services Department in the fiscal year 2015 budget which transferred responsibilities for Vehicle Maintenance and GIS Services from the Public Works Department to Central Services.

Whereas, after due notice and conducting a public hearing, the Council adopted Resolution No. 8081 on August 15, 2016, fixing the annual appropriations and the capital improvement program for the City as set forth in the fiscal year 2017 budget which included a work plan and budget for the District in the amount of \$1,645,581 in order to provide services and purchase supplies to carry out the work plan established for the District in fiscal year 2017.

Whereas, in accordance with MCA 7-11-1024, the City Council has determined that each lot or parcel of land including the improvements on the lot or parcel shall be assessed for that part of the cost of the special district that its taxable valuation bears to the total taxable valuation of the property in the District;

Whereas, pursuant to MCA Sections 7-11-1025, the City must provide notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided each year within the District;

Whereas, notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District to be levied was published in the *Missoulian*, a newspaper of general circulation in Missoula County, on August 10, 2016 and August 17, 2016;

Whereas, a public hearing was held on August 22, 2016, during a regular meeting of the Council; and

Whereas, at such hearing the Council heard and passed upon all such protests regarding the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District.

NOW, THEREFORE IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows:

Section 1. Assessments; Assessment Methods: Property to be Assessed. Properties located in the District are hereby levied and assessed for their portion of the cost of Services and Improvements to be made in fiscal year 2017 in accordance with this Section 1 and the terms of Resolution No. 8081. The costs to provide the Services and Improvements in the District shall initially be assessed against each lot or parcel of land, including the improvements on the lot or parcel, for that part of the cost of the Services and Improvements that such lot or parcel's taxable valuation bears to the total taxable valuation of the property in the District. Such taxable valuation shall be based upon the last-completed assessment roll for state, City, county and school district taxes. The assessments shall be based on such taxable value as assigned by the Montana Department of Revenue.

In fiscal year 2017, the Council estimates the cost of the Services and Improvements to be performed in the District to total \$1,645,581. The work plan and budget for the Services and Improvements to be provided in fiscal year 2017 were approved by the City Council on August 15, 2016, and are on file and available for public inspection in the City Clerk's office.

Total levy for Road District #1	\$1,645,581
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The Council may, and hereby reserves, all rights granted by MCA Section 7-11-1025 to, change the method of assessment for the District for fiscal year 2017 and thereafter.

A map and description of the boundaries of the District are attached hereto as Exhibits "A" and "B".

Section 2. List of Properties Assessed. The official list of those properties subject to assessment, fees or taxation within the District, including the names of the owners of such properties and the amount of assessment on each property, is on file and available for public inspection in the Missoula County Treasurer's Office, and further such list is the last completed county assessment roll for the lots or parcels of land including improvements thereon, within the boundaries of the District. The list may not be distributed or sold for use as a mailing list in accordance with MCA Section 2-6-109.

Section 3. Ratifier. All actions not inconsistent with the provisions of this Resolution heretofore taken by the City and its employees with respect to the creation of the District are hereby in all respects ratified, approved and confirmed.

Section 4. Repealer. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 5. No Personal Recourse. No recourse shall be had for any claim based on this Resolution against any Council member or the City, nor any officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 6. Effective Date. This Resolution shall be in full force and effect from and after its date of adoption.

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this 22nd day of August, 2016.

ATTEST:

CITY OF MISSOULA

/s/ Martha L. Rehbein
Martha L. Rehbein
City Clerk

/s/ John Engen
John Engen
Mayor

(SEAL)

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of a resolution entitled: **"A resolution of the City Council of the City of Missoula, Montana, levying and assessing the lots and parcels within the City of Missoula Road District Number 1 in the amount of \$1,622,207 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2016 for city-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street Division, Central Service's Vehicle Maintenance Division and Development Service's Engineering Division providing for a method of assessments; and providing for other matters properly relating thereto."** (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on August 22, 2016, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at such meeting, the Resolution was adopted by the following vote:

AYES, and in favor thereof: Julie Armstrong, Emily Bentley, Michelle Cares, John DiBari, Annelise Hedahl, Jordan Hess, Gwen Jones, Marilyn Marler, Bryan von Lossberg, Harlan Wells, Heidi West, Jon Wilkins; NAYS: None; ABSENT: None; ABSTAIN: None

WITNESS my hand officially this 22nd day of August, 2016.

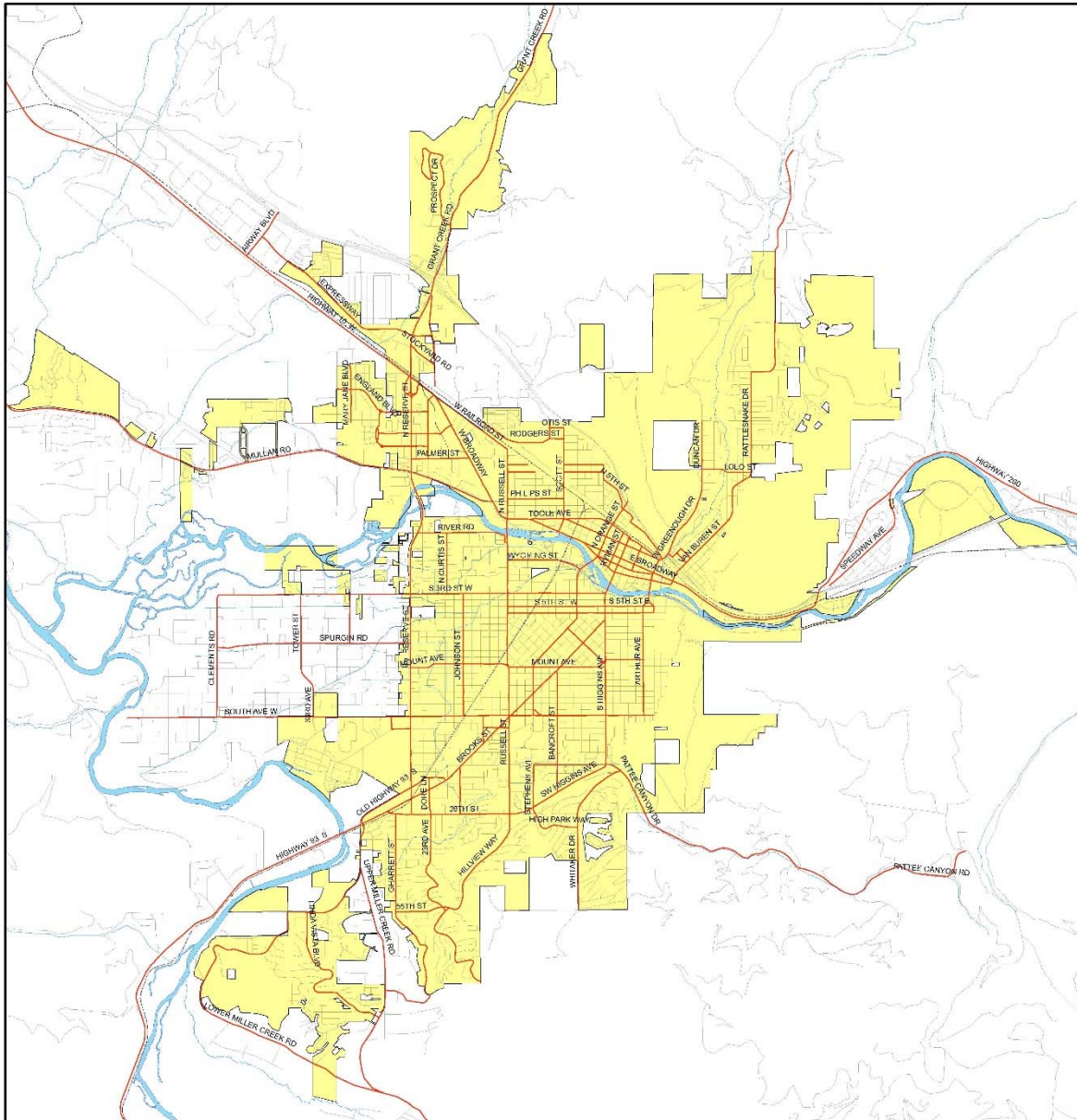
CITY OF MISSOULA
Missoula County, Montana

/s/ Martha L. Rehbein
Martha L. Rehbein, CMC
City Clerk

(S E A L)

EXHIBIT "A"

MAP OF THE DISTRICT



CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

City Limits as of:
April 11, 2016



29.6 Square Miles
18,913 Acres
823,844,338 Square Feet



Printing Date: Tuesday, April 12, 2016
 File: CityMap_8.5x11_PDF.mxd
 Prepared By: GIS Services

EXHIBIT "B"

DISTRICT BOUNDARIES

The District boundary is described as the incorporated boundary of the City of Missoula in accordance with City Council municipal annexation resolutions and municipal annexation ordinances filed in the Missoula City Clerk's public records as well as all properties later annexed thereto. Parcels within the boundary are the current parcels subject to City of Missoula property taxes as shown in the tax rolls of the Montana Department of Revenue and inclusive of those parcels that are exempt from property taxes except park land, common areas and greenways, open space lands, and parcels used as a public street and alley right-of-ways as well as all parcels later annexed thereto.

RESOLUTION NUMBER 8096

A resolution of the City Council of the city of Missoula, Montana, levying and assessing the lots and parcels within the city of Missoula Park District Number 1 in the amount of \$1,297,626 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2017 for city-owned facilities, land and equipment under the responsibility and care of the city of Missoula Parks and Recreation Department; providing for a method of assessments; and providing for other matters properly relating thereto.

**CITY OF MISSOULA
Missoula County, Montana**

City of Missoula Park District Number 1

Be it resolved by the City Council of the City of Missoula, Montana:

Whereas, the City of Missoula, Montana (the “City”) is a municipality duly organized and existing under and by virtue of the Constitution and laws of the State of Montana;

Whereas, the City Council of the City (the “Council”) is authorized by Montana Code Annotated (“MCA”), Title 7, Chapter 11, Part 10, as amended, to create special districts to provide maintenance, purchasing and improvement services for City-owned facilities, land and equipment under the responsibility and care of the City of Missoula Parks and Recreation Department to the inhabitants of the special district;

Whereas, the Council is authorized by MCA, Title 7, Chapter 11, Part 10, as amended, to finance the maintenance, purchasing and improvement services within the special district by levying an assessment on the lots and parcels within the boundaries of the special district;

Whereas, after providing notice and conducting the public hearing required by MCA 7-11-1007 the City adopted Resolution No. 7564 on September 13, 2010, (the “Creation Resolution”) creating a special district to be known as the “City of Missoula Park District Number 1” (the “District”) for the purpose of providing services including but not limited to: (1) maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of land; and/or (2) implementation of measures required to maintain public health and safety or meet legal or regulatory requirements; and/or (3) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein; and/or (4) any other functions, labor, supplies and/or materials necessary for management and maintenance of City-owned facilities, lands and equipment under the responsibility and care of the City of Missoula Parks and Recreation Department including but not limited to: public parks and park areas (as described in the Master Parks and Recreation Plan for the Greater Missoula Area) recreation facilities, trails, open space (as defined in the City of Missoula Urban Area Open Space Plan), urban forest, medians, boulevards, pathways, sidewalks, public easements, and other facilities which are located in the City limits and/or are owned by the City (collectively, the “Services and Improvements”);

Whereas, after due notice and conducting a public hearing, the Council adopted Resolution No. 8081 on August 15, 2016, fixing the annual appropriations and the capital improvement program for the City as set forth in the fiscal year 2017 budget which included a work plan and budget for the District in the amount of \$1,297,626 in order to provide services and purchase supplies to carry out the work plan established for the District in fiscal year 2017;

Whereas, in accordance with MCA 7-11-1024, the City Council has determined that each lot or parcel of land including the improvements on the lot or parcel shall be assessed for that part of the cost of the special district that its taxable valuation bears to the total taxable valuation of the property in the District;

Whereas, pursuant to MCA Sections 7-11-1025, the City must provide notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided each year within the District;

Whereas, notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District to be levied was published in the *Missoulian*, a newspaper of general circulation in Missoula County, on August 10, 2016, and August 17, 2016; and

Whereas, a public hearing was held on August 22, 2016, during a regular meeting of the Council; and

Whereas, at such hearing the Council heard and passed upon all such protests regarding the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District.

NOW, THEREFORE IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows:

Section 1. Assessments; Assessment Methods: Property to be Assessed. Properties located in the District are hereby levied and assessed for their portion of the cost of Services and Improvements to be made in fiscal year 2017 in accordance with this Section 1 and the terms of Resolution No. 8081. The costs to provide the Services and Improvements in the District shall initially be assessed against each lot or parcel of land, including the improvements on the lot or parcel, for that part of the cost of the Services and Improvements that such lot or parcel's taxable valuation bears to the total taxable valuation of the property in the District. Such taxable valuation shall be based upon the last-completed assessment roll for state, City, county and school district taxes. The assessments shall be based on such taxable value as assigned by the Montana Department of Revenue.

In fiscal year 2017, the Council estimates the cost of the Services and Improvements to be performed in the District to total **\$1,297,626**. The work plan and budget for the Services and Improvements to be provided in fiscal year 2017 were approved by the City Council on August 15, 2016, and are on file and available for public inspection in the City Clerk's office.

Total levy for Park District #1 **\$1,297,626 (11.47 Mills)**

The Council may, and hereby reserves, all rights granted by MCA Section 7-11-1025 to, change the method of assessment for the District for fiscal year 2018 and thereafter.

A map and description of the boundaries of the District are attached hereto as Exhibits "A" and "B".

Section 2. List of Properties Assessed. The official list of those properties subject to assessment, fees or taxation within the District, including the names of the owners of such properties and the amount of assessment on each property, is on file and available for public inspection in the Missoula County Treasurer's Office, and further such list is the last completed county assessment roll for the lots or parcels of land including improvements thereon, within the boundaries of the District. The list may not be distributed or sold for use as a mailing list in accordance with MCA Section 2-6-109.

Section 3. Ratifier. All actions not inconsistent with the provisions of this Resolution heretofore taken by the City and its employees with respect to the creation of the District are hereby in all respects ratified, approved and confirmed.

Section 4. Repealer. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 5. No Personal Recourse. No recourse shall be had for any claim based on this Resolution against any Council member or the City, nor any officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 6. Effective Date. This Resolution shall be in full force and effect from and after its date of adoption.

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this 22nd day of August, 2016.

CITY OF MISSOULA
Missoula County, Montana

/s/ John Engen
John Engen,
Mayor

ATTEST:

/s/ Martha L. Rehbein
Martha L. Rehbein, CMC
City Clerk

(S E A L)

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of a resolution entitled: **"A resolution of the City Council of the city of Missoula, Montana, levying and assessing the lots and parcels within the city of Missoula Park District Number 1 totaling \$1,297.626 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2017 for city-owned facilities, land and equipment under the responsibility and care of the city of Missoula Parks and Recreation Department; providing for a method of assessments; and providing for other matters properly relating thereto."** (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on August 22, 2016, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at such meeting, the Resolution was adopted by the following vote:

AYES, and in favor thereof: Julie Armstrong, Emily Bentley, Michelle Cares, John DiBari, Annelise Hedahl, Jordan Hess, Gwen Jones, Marilyn Marler, Bryan von Lossberg, Harlan Wells, Heidi West, Jon Wilkins; NAYS: None; ABSENT: None; ABSTAIN: None.

WITNESS my hand officially this 22nd day of August, 2016.

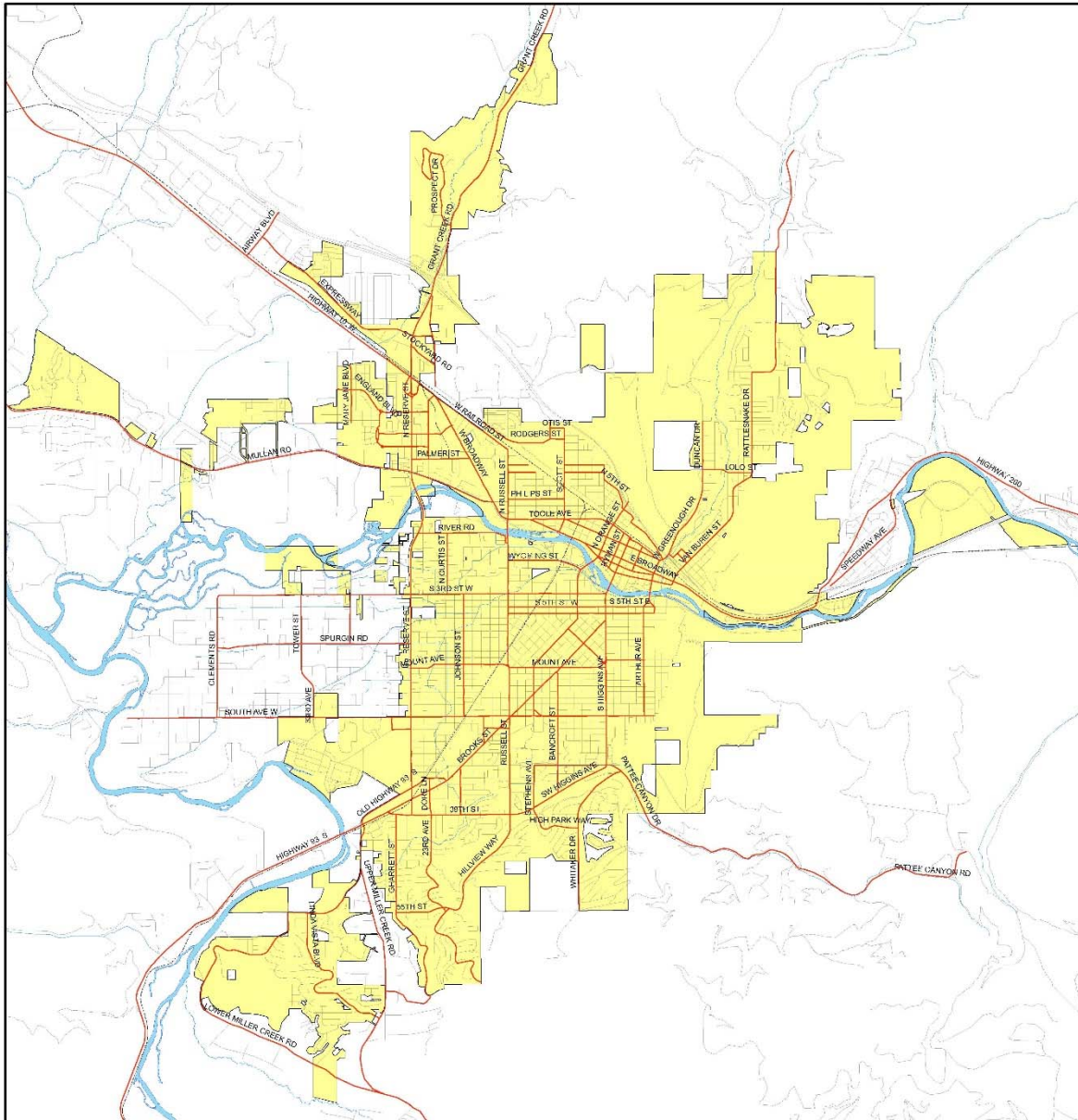
CITY OF MISSOULA
Missoula County, Montana

/s/ Martha L. Rehbein

Martha L. Rehbein, CMC
City Clerk

(S E A L)

EXHIBIT "A"
Map of the District



CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

City Limits as of:
April 11, 2016



29.6 Square Miles
18,913 Acres
823,844,338 Square Feet

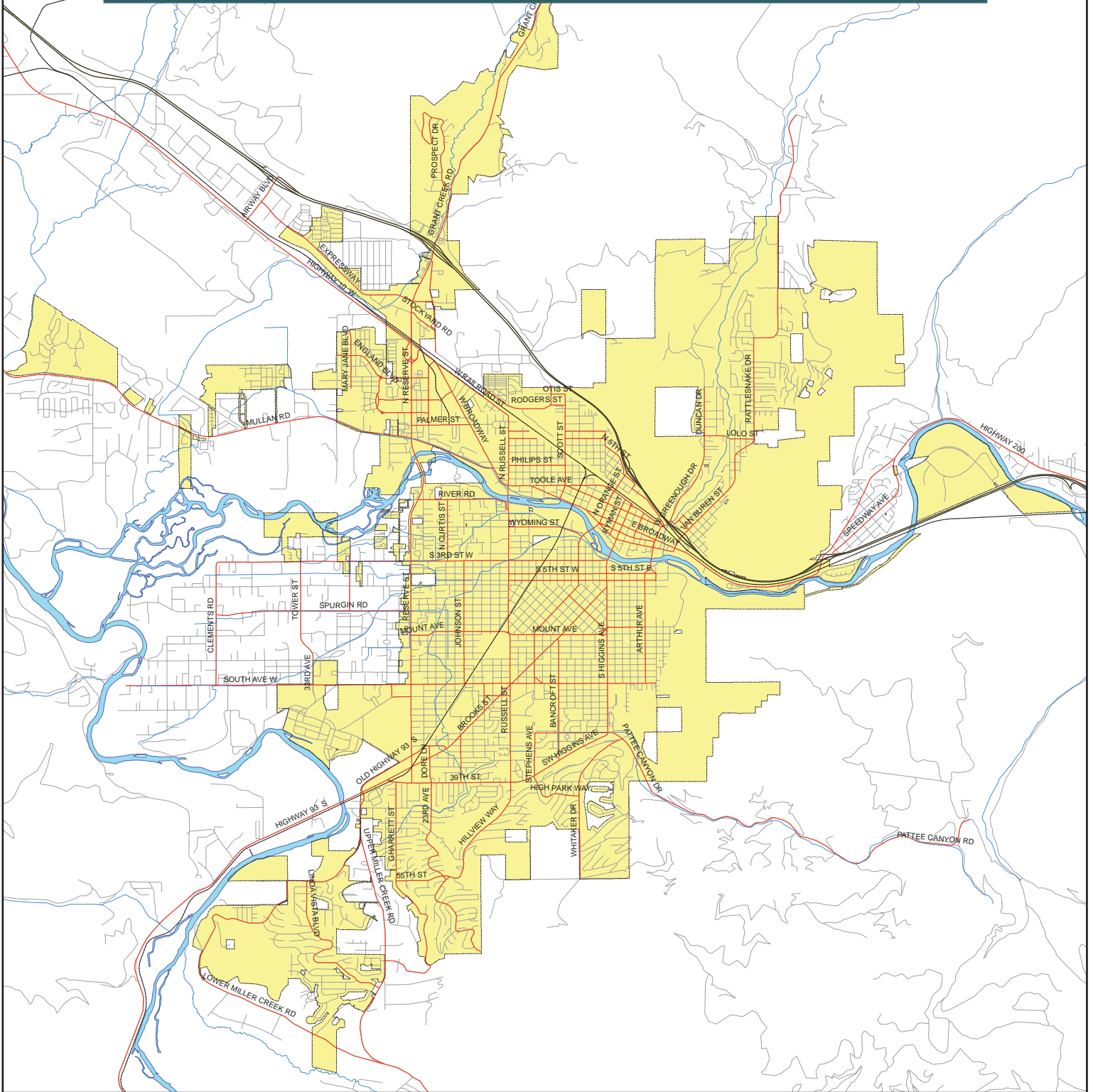


Printing Date: Tuesday, April 12, 2016
File: CityMap_8.5x11_PDF.mxd
Prepared By: GIS Services

EXHIBIT "B"

DISTRICT BOUNDARIES

The District boundary is described as the incorporated boundary of the City of Missoula in accordance with City Council municipal annexation resolutions and municipal annexation ordinances filed in the Missoula City Clerk's public records as well as all properties later annexed thereto. Parcels within the boundary are the current parcels subject to City of Missoula property taxes as shown in the tax rolls of the Montana Department of Revenue and inclusive of those parcels that are exempt from property taxes except park land, common areas and greenways, open space lands, and parcels used as a public street and alley right-of-ways as well as all parcels later



CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

City Limits as of:
September 12, 2016



29.6 Square Miles
18,931 Acres
824,653,910 Square Feet

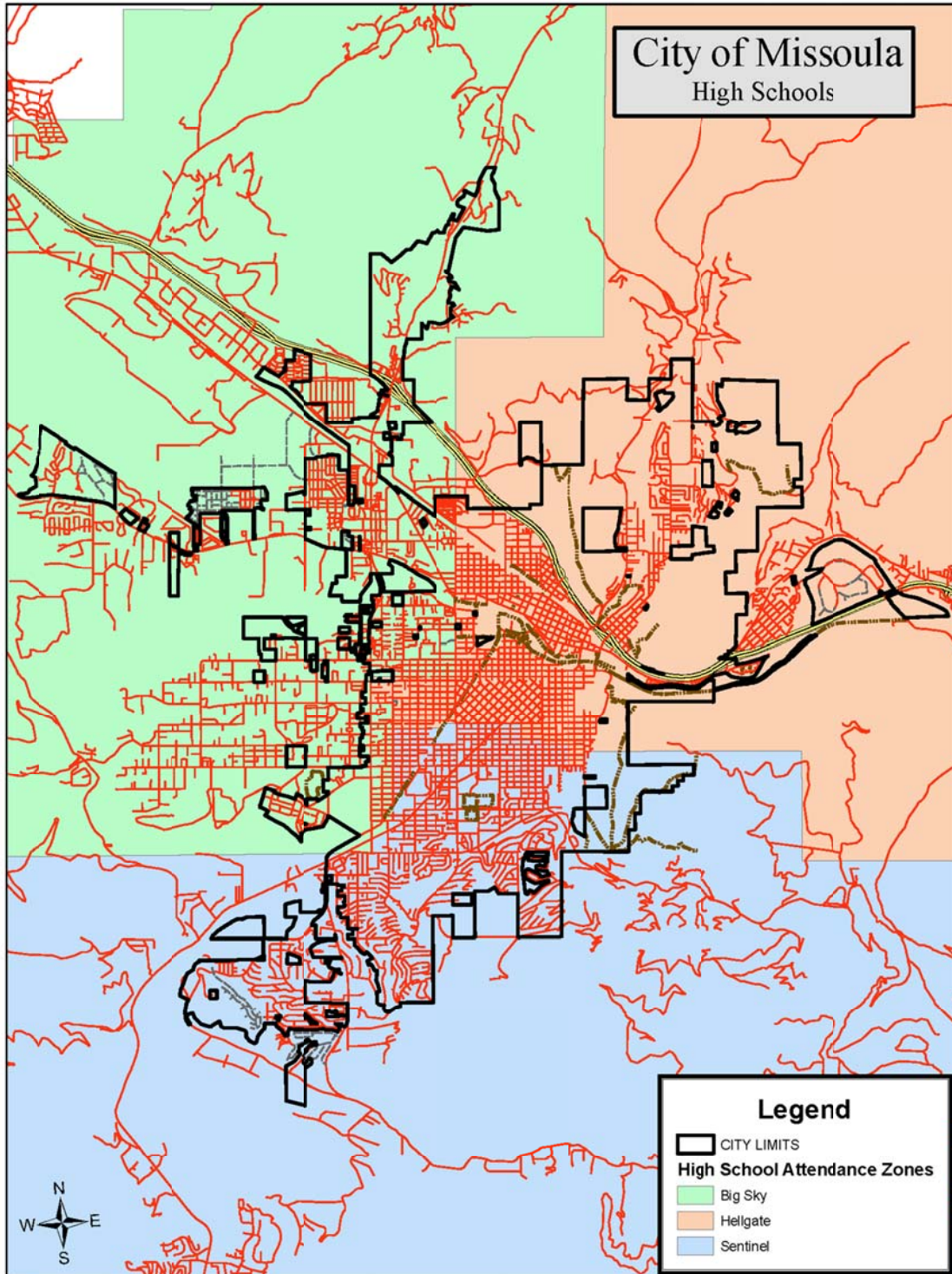


Printing Date: Thursday, September 13, 2016

File: CityMap_8.5x11_PDF.mxd

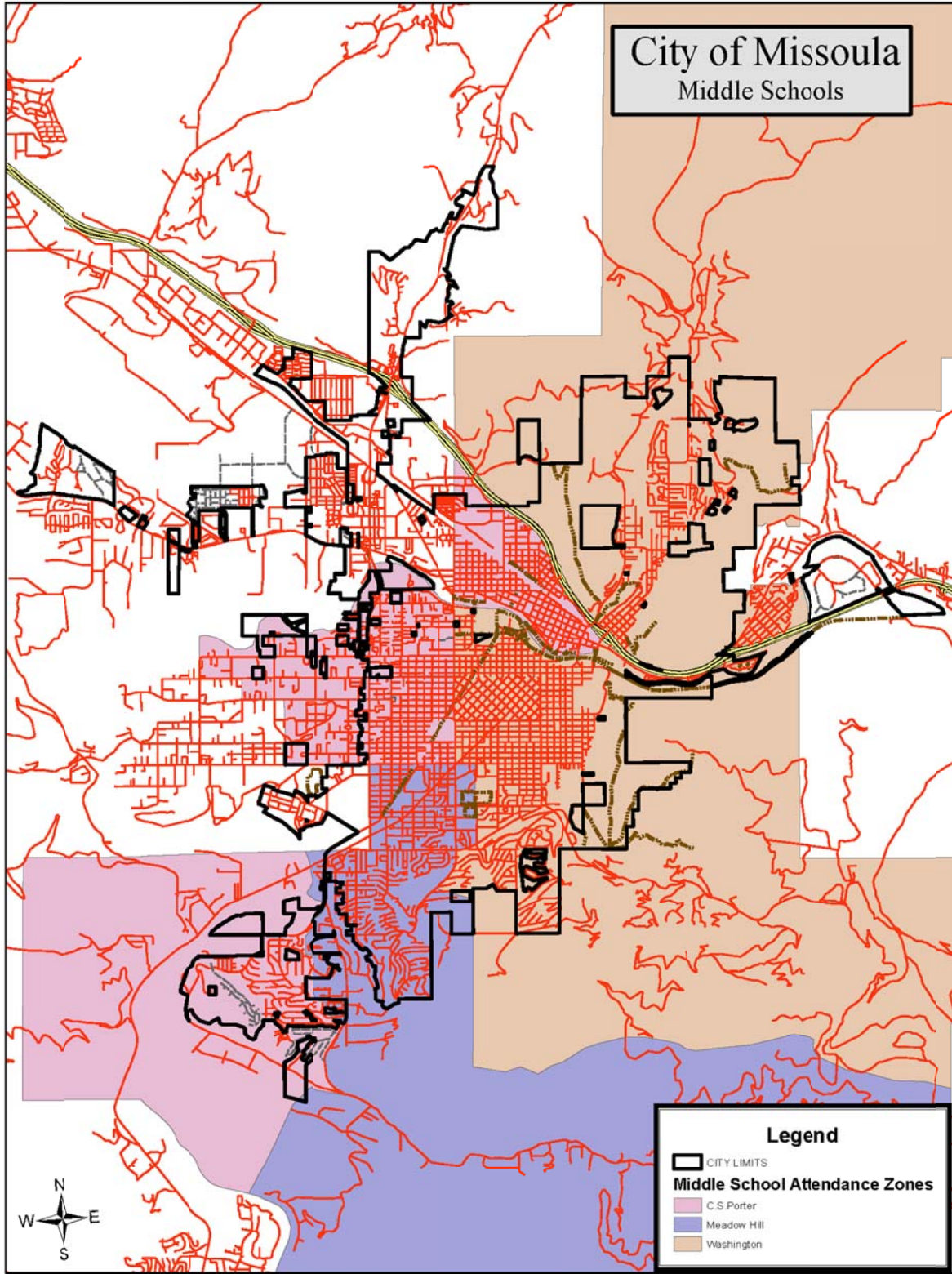
Prepared By: GIS Services
FY 2017 Annual Budget

City of Missoula is home to Missoula County School District 1. Included in Missoula County, School District 1 are the following schools that serve the City of Missoula:



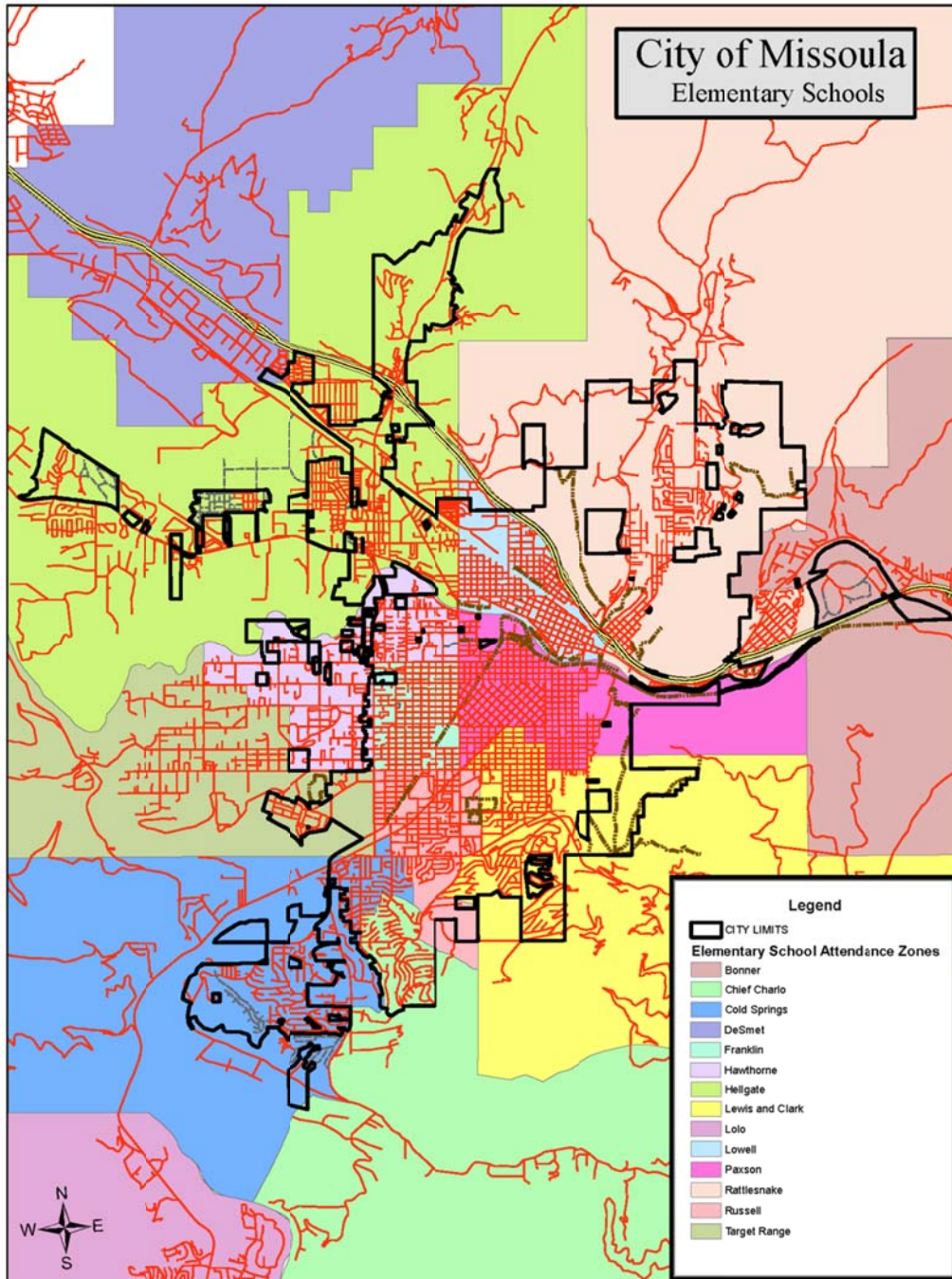
High Schools (serves grade 9 through grade 12)

Big Sky High School	3100 South Ave W	Missoula, MT	59804	(406) 728-2401
Hellgate High School	900 S Higgins Ave	Missoula, MT	59801	(406) 728-2402
Willard Alternative High School	901 S 6 th St W	Missoula, MT	59801	(406) 542-4073
Sentinel High School	901 South Ave W	Missoula, MT	59801	(406) 728-2403



Middle Schools (serves grade 6 through grade 8)

C.S Porter School	2510 Central Ave	Missoula, MT	59804	(406) 542-4060
Washington Middle School	645 W Central Ave	Missoula, MT	59801	(406) 542-4085
Meadow Hill Middle School	4210 Reserve St	Missoula, MT	59803	(406) 542-4045



Elementary Schools (serves kindergarten through 5th grade)

Russell School	3216 Russell St	Missoula, MT	59801	(406) 542-4080
Franklin School	1901 S 10 th St W	Missoula, MT	59801	(406) 542-4020
Chief Charlo Elementary	5600 Longview St	Missoula, MT	59803	(406) 542-4005
Lewis and Clark School	2901 Park St	Missoula, MT	59801	(406) 542-4035
Cold Springs School	2625 Briggs St	Missoula, MT	59803	(406) 542-4010
Hawthorne School	2835 S 3 rd St W	Missoula, MT	59804	(406) 542-4025
Lowell School	1200 Sherwood Ave	Missoula, MT	59802	(406) 542-4040
Rattlesnake School	1220 Pineview Dr	Missoula, MT	59802	(406) 542-4050
Paxon Elementary	101 Evans St	Missoula, MT	59801	(406) 542-4055

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 759,606	\$ 558,624	\$ 699,325	\$ 740,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,365,053	643,449	201,062	1,348,317	-	-	-	-	-	-
Nonspendable*	-	-	-	-	1,148,767	1,232,302	1,259,186	1,129,654	1,404,250	1,333,974
Restricted*	-	-	-	-	165,282	105,804	157,822	179,972	179,972	666,150
Assigned*	-	-	-	-	1,203,481	1,284,045	1,757,237	1,716,911	1,868,348	1,693,229
Unassigned*	-	-	-	-	1,152,657	1,940,474	2,968,121	2,543,264	2,160,723	1,550,114
Total General Fund	\$ 2,124,659	\$ 1,202,073	\$ 900,387	\$ 2,088,984	\$ 3,670,187	\$ 4,562,625	\$ 6,142,366	\$ 5,569,801	\$ 5,613,293	\$ 5,243,467
All other governmental funds										
Reserved	\$ 3,007,558	\$ 3,175,573	\$ 3,654,339	\$ 3,869,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,462,685	3,208,509	3,814,089	4,124,600	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	521,612	(1,471,297)	(4,728,035)	(4,089,044)	-	-	-	-	-	-
Nonspendable*	-	-	-	-	11,505	12,042	-	-	-	-
Restricted*	-	-	-	-	7,911,860	7,409,318	6,789,639	6,302,882	6,342,952	6,460,987
Committed*	-	-	-	-	1,374,228	2,048,128	2,892,425	4,543,997	5,289,662	6,279,094
Assigned*	-	-	-	-	-	-	-	-	21,240	87,754
Unassigned*, reported in:										
Special revenue funds	-	-	-	-	(332,574)	(149,817)	(105,325)	(986,470)	(400,440)	(233,312)
Debt service funds	-	-	-	-	(36,421)	(174,575)	(23,761)	(189,696)	(331,743)	(351,757)
Capital projects funds	-	-	-	-	(3,962,631)	(4,602,847)	(5,681,029)	(8,125,283)	(9,907,630)	(9,958,916)
Water funds	-	-	-	-	-	-	-	-	(3,532,964)	(6,248,789)
Neighborhood stabilization funds	-	-	-	-	-	(4,139)	-	-	-	-
Total other governmental funds	\$ 4,991,855	\$ 4,912,785	\$ 2,740,393	\$ 3,905,111	\$ 4,965,967	\$ 4,538,110	\$ 3,871,949	\$ 1,545,430	\$ (2,518,923)	\$ (3,964,939)

Source: City of Missoula

* Restated to conform to GASB Statement No. 54

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes and assessments	\$ 24,128,385	\$ 25,071,209	\$ 26,649,687	\$ 27,445,555	\$ 28,256,587	\$ 29,396,016	\$ 31,729,767	\$ 31,161,007	\$ 32,506,332	\$ 34,184,223
Licenses and permits	2,927,474	4,054,474	2,753,704	3,050,653	3,092,436	2,866,229	3,227,926	3,119,709	3,663,422	3,848,094
Intergovernmental	13,035,698	12,747,140	13,147,938	20,456,138	17,531,499	25,130,561	17,665,516	17,000,835	19,095,397	19,174,504
Charges for services	4,540,977	3,911,813	4,439,499	4,475,126	5,160,326	5,106,399	6,057,449	5,596,577	6,368,100	6,774,315
Fines and forfeitures	1,421,588	1,215,955	1,130,177	1,203,587	1,008,945	1,344,578	1,565,130	1,347,949	1,326,509	1,546,733
Miscellaneous	975,534	1,699,515	1,168,486	1,464,092	1,205,961	613,255	625,976	544,245	836,745	733,496
Interest earnings	538,418	584,698	156,522	63,362	32,409	41,691	47,960	21,214	13,687	13,238
Total revenues	47,568,074	49,284,804	49,446,013	58,158,513	56,288,163	64,498,728	60,919,724	58,791,536	63,810,192	66,274,603
Expenditures										
General government	5,745,356	6,515,738	7,752,035	7,252,975	6,493,866	6,949,250	8,034,601	9,838,640	10,204,889	10,871,079
Public safety	19,880,732	21,637,023	21,669,039	22,227,258	22,431,087	23,834,156	25,803,943	28,002,557	28,012,238	10,519,826
Public works	6,161,928	6,670,377	6,624,812	6,577,834	7,962,836	7,437,537	7,393,392	7,193,974	9,962,351	29,027,969
Public health	1,249,223	1,364,663	1,404,043	1,368,398	1,372,380	1,431,431	1,482,096	1,550,087	1,644,431	4,769,243
Social and economic	132,897	115,000	118,450	118,450	116,000	116,000	116,000	210,000	210,000	1,267,985
Culture and recreation	3,676,479	3,118,438	3,278,075	3,293,005	3,289,120	3,528,049	3,838,271	4,091,295	4,434,040	1,706,945
Community development	2,202,392	2,041,498	1,193,372	4,017,676	2,264,947	10,348,859	1,238,419	227,258	1,411,431	175,000
Conservation of natural resources	-	-	-	7,757	450	100	120	120	-	-
Miscellaneous	947,093	-	-	1,041,180	1,189,351	1,003,472	1,049,647	1,057,905	788,789	818,567
Debt service - principal	6,127,301	2,973,898	3,026,661	3,121,407	3,484,312	3,689,100	3,057,702	3,695,116	4,696,540	7,128,250
Debt service - interest	1,671,508	1,665,936	1,595,937	1,584,136	1,595,391	1,556,195	2,531,043	841,703	836,167	1,197,723
Capital outlay	9,116,240	7,575,647	5,401,985	8,518,735	7,777,324	6,202,777	6,863,986	5,749,618	8,477,784	6,366,170
Total expenditures	56,911,149	53,678,218	52,064,409	59,128,811	57,977,065	66,096,927	61,409,220	62,458,274	70,678,660	73,848,757
Excess of revenues over (under) expenditures	(9,343,075)	(4,393,414)	(2,618,396)	(970,298)	(1,688,902)	(1,598,199)	(489,496)	(3,666,738)	(6,868,468)	(7,574,154)
Other financing sources (uses)										
Transfers in	7,003,875	4,551,456	5,343,911	5,531,051	4,989,066	7,143,975	7,539,764	7,246,955	7,227,765	7,304,235
Transfers out	(6,821,059)	(4,665,834)	(5,282,309)	(5,557,582)	(4,797,139)	(7,478,899)	(8,145,604)	(8,060,866)	(8,065,955)	(8,056,041)
Payments to Refunded Bond Escrow Agent	(2,037,769)	-	-	(983,591)	-	-	(5,541,672)	(5,781,508)	-	-
Issuance of Refunding Bonds	4,355,000	-	1,000,000	-	-	-	5,480,000	5,860,000	-	-
Premium on Refunded Bonds	-	-	-	-	-	-	152,081	-	-	-
Issuance of long term debt/capital leases	11,574,351	2,378,354	-	3,276,941	4,168,336	2,559,396	1,895,150	1,514,851	3,159,644	6,502,813
Proceeds from sale of capital assets	-	840,620	82,716	56,794	-	-	22,171	465	-	-
Total other financing sources (uses)	14,074,398	3,104,596	144,318	3,323,613	4,360,263	2,224,471	1,401,890	779,897	2,321,454	5,751,007
Net change in fund balances	\$ 4,731,323	\$ (1,288,818)	\$ (2,474,078)	\$ 2,353,315	\$ 2,671,361	\$ 626,272	\$ 912,394	\$ (2,886,840)	\$ (4,547,014)	\$ (1,823,147)
Debt service as a percentage of non-capital expenditures	23%	12%	12%	11%	12%	10%	12%	9%	10%	14%

Source: City of Missoula

**CITY OF MISSOULA, MONTANA
OVERLAPPING PROPERTY TAX LEVIES
Last Ten Fiscal Years**

Taxing Authority	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City of Missoula	212.23	222.45	222.45	225.56	233.24	240.90	243.52	245.62	252.81	260.08
County of Missoula										
County Wide	136.19	140.35	138.94	139.80	142.47	145.04	150.32	160.09	167.96	172.32
County Wide Schools	104.04	105.61	104.62	103.45	100.94	100.17	104.60	105.64	104.35	103.73
Total	240.23	245.96	243.56	243.25	243.41	245.21	254.92	265.73	272.31	276.05
District Schools										
School District One	145.45	140.24	142.75	141.50	145.18	141.88	148.94	150.34	149.71	180.04
High Schools	77.05	79.13	76.46	74.63	76.44	71.92	72.19	72.77	75.11	85.01
Total	222.50	219.37	219.21	216.13	221.62	213.80	221.13	223.11	224.82	265.05
State Levies										
University	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Education Foundation	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Total	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Urban Transportation District	14.62	14.86	16.30	16.45	17.69	19.51	21.05	34.26	40.47	40.47
Total Levy on City Residents	<u>735.58</u>	<u>748.64</u>	<u>747.52</u>	<u>747.39</u>	<u>761.96</u>	<u>765.42</u>	<u>786.62</u>	<u>814.72</u>	<u>836.41</u>	<u>887.65</u>
Overall Property Tax Increase(Decrease)	0.08%	1.78%	-0.15%	-0.02%	1.95%	0.45%	2.77%	3.57%	2.66%	6.13%
Other Levies of Interest										
County Only	35.68	35.80	35.80	36.18	36.18	36.38	36.37	36.37	37.70	39.57
Missoula Rural Fire	91.13	94.13	94.13	97.97	97.97	100.33	102.39	112.59	112.61	114.33

Source: County of Missoula Accounting Office
Note: MRA doesn't get University mills.

**CITY OF MISSOULA, MONTANA
ESTIMATED MARKET VALUE, TAXABLE VALUE AND MILL LEVY
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Estimated Market Value</u>	<u>Taxable Value City Without Tax Increment</u>	<u>Ratio of Total Assessed Value to Total Estimated Market Value</u>	<u>Taxable Value Tax Increment Districts</u>	<u>Mill Levy</u>
2008	3,195,587,513	99,332,558	3.11%	1,806,159	212.23
2009	3,369,424,088	103,000,436	3.06%	1,909,938	222.45
2010	3,757,969,949	104,408,018	2.78%	4,507,159	222.45
2011	3,965,146,053	106,229,033	2.68%	5,245,004	225.56
2012	4,140,685,284	107,878,992	2.61%	5,114,782	233.24
2013	4,110,699,383	108,167,019	2.63%	4,530,936	240.90
2014	4,305,020,382	109,336,360	2.54%	4,732,437	243.52
2015	4,406,017,003	108,677,495	2.47%	3,946,539	245.62
2016	7,303,138,213	111,558,503	1.53%	4,297,267	252.81
2017	7,390,919,522	113,132,406	1.53%	4,569,578	260.08

Source: Missoula County Assessors Office

**CITY OF MISSOULA, MONTANA
 ASSESSED VALUE AND ESTIMATED TAXABLE VALUE OF PROPERTY
 Last Ten Fiscal Years
 (in thousands of dollars)**

Fiscal Year	Real Property	Equipment & Fixtures	Electric, Airline & Telecommunications	Railroad	Electric, Phone Co-ops & Pollution Control	Other	Tax Increment District	Total Taxable Assessed Value
2008	\$91,045	\$ 4,474	\$ 4,925	\$ 313	\$ 382	\$ -	\$ (1,806)	\$ 99,333
2009 [^]	-	-	-	-	-	-	-	-
2010	96,352	5,133	3,585	348	380	3,117	(4,507)	104,408
2011	96,914	4,785	5,304	397	393	3,681	(5,245)	106,229
2012	98,235	4,851	5,376	402	398	3,732	(5,115)	107,879
2013	98,669	3,852	5,175	440	407	4,155	(4,531)	108,167
2014	99,741	4,086	4,928	587	346	4,381	(4,732)	109,336
2015	101,034	2,242	3,848	501	396	4,604	(3,947)	108,677
2016	104,254	2,071	3,888	509	405	4,727	(4,297)	111,559
2017	104,237	2,546	4,584	521	397	5,417	(4,570)	113,132

*Property in the City does have a Market Value and is assessed at the actual value at a rate of 2.5%; therefore, the assessed values are equal to actual value.

*This table presents taxable property assessments at values calculated after certified values were received from the Department of Revenue. These values will not articulate to certified values due to the date that this report is run by the Department of Revenue.

[^] 2009 Values are no longer available due to Department of Revenue (DOR) software constraints and timing issues in FY2009.

Source: Missoula County Assessor's Office and Department of Revenue.

CITY OF MISSOULA, MONTANA
 PROPERTY VALUE AND NEW CONSTRUCTION
 Last Ten Fiscal Years

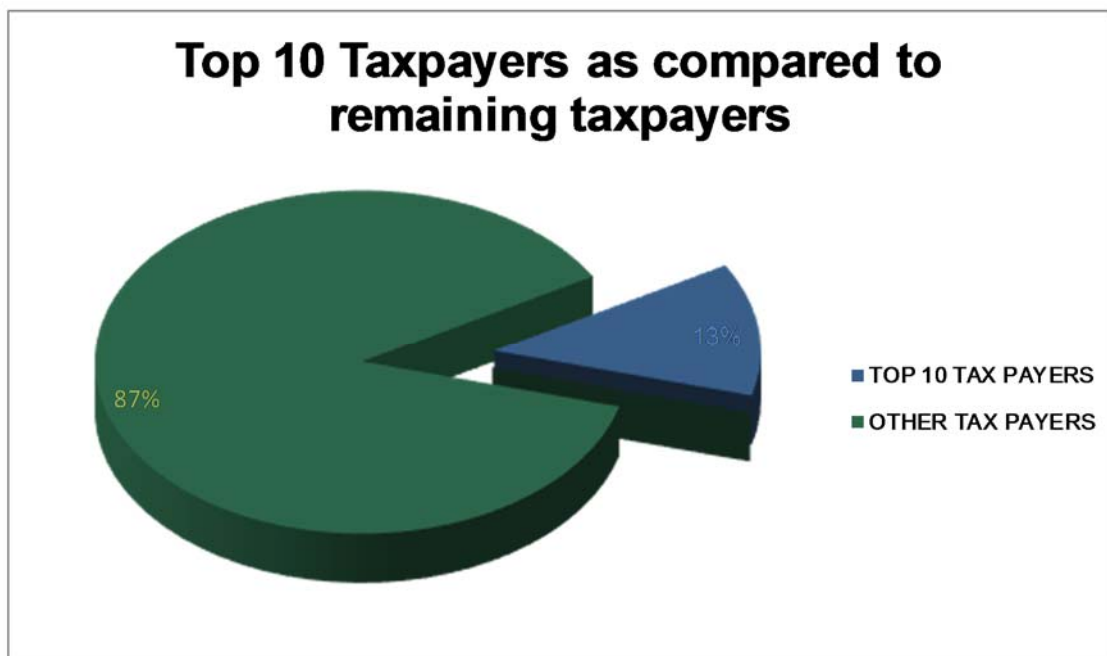
Fiscal Year	Assessed Value City Property	New Construction						% Change Over Last Year
		Single Family		Multi-Family		All Construction		
		Number	Value Estimate	Number	Value Estimate	Number	Value Estimate	
2007	\$ 2,901,638,641	303	\$ 31,466,438	153	\$ 7,595,391	1,613	\$ 89,139,379	-10.73%
2008	3,195,587,513	229	21,554,764	154	9,711,099	1,530	133,165,009	49.39%
2009	3,369,424,088	142	11,627,586	73	3,019,865	1,291	63,987,567	-51.95%
2010	3,757,969,949	139	12,643,362	63	2,552,415	1,306	54,867,213	-14.25%
2011	3,965,146,053	95	8,892,276	262	17,010,385	1,283	87,790,572	60.01%
2012	4,140,685,284	96	9,675,751	329	15,186,996	1,395	58,443,007	-33.43%
2013	4,110,699,383	127	11,284,179	371	14,682,857	1,485	68,558,394	17.31%
2014	4,305,020,382	160	18,828,163	210	9,575,271	1,319	74,177,588	8.20%
2015	4,406,017,003	176	18,033,312	302	12,840,095	1,427	122,960,429	65.76%
2016	7,303,138,213	195	20,368,865	150	9,679,420	1,515	117,605,567	-4.35%

Source: City of Missoula Building Inspection Office and Missoula County Assessor

CITY OF MISSOULA
FOR FY 2016 - FY 2017

Rank	Taxpayer	Taxable Value
1	NORTHWESTERN ENERGY	\$ 5,379,753
2	MOUNTAIN WATER COMPANY	1,687,457
3	CENTURYLINK	1,247,268
4	CHARTER COMMUNICATIONS	1,149,537
5	RCHP BILLINGS MISSOULA LLC *	1,028,709
6	SOUTHGATE MALL	969,663
7	VERIZON WIRELESS	877,850
8	MONTANA RAIL LINK	765,595
9	GATEWAY LIMITED PARTNERSHIP	692,509
10	ST PATRICK HOSPITAL CORP	412,003
		\$ 14,210,344

* Formerly Community Hospital



**CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES AND COLLECTIONS
GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years**

Fiscal Year Ended June 30th	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date*			Percentage of Delinquencies
		Amount	Percentage of Levy	in Subsequent Years	Amount	Percentage of Levy	
2007	\$ 19,863,202	\$ 19,806,028	99.71%	\$ 220,890	\$ 20,026,918	100.82%	0.29%
2008	21,454,436	20,926,264	97.54%	56,389	20,982,653	97.80%	2.46%
2009	22,914,220	22,301,910	97.33%	317,891	22,619,800	98.72%	2.67%
2010	23,225,564	22,737,517	97.90%	636,697	23,374,213	100.64%	2.10%
2011	23,961,021	22,743,766	94.92%	862,661	23,606,427	98.52%	5.08%
2012	25,161,696	24,607,176	97.80%	211,507	24,818,683	98.64%	2.20%
2013	26,057,435	26,150,721	100.36%	850,849	27,001,570	103.62%	-0.36%
2014	26,625,590	25,882,072	97.21%	140,631	26,022,703	97.74%	2.79%
2015	26,693,366	26,658,963	99.87%	209,372	26,868,335	100.66%	0.13%
2016	28,203,105	27,863,139	98.79%	54,039	27,917,178	98.99%	1.21%

Source: City of Missoula

* Delinquent tax collections include amounts collected from penalties, interest, and other delinquent collections. The City does not identify delinquent collections by the year for which the tax was levied.

In 2014 this table was updated to reflect all taxes levied by the City of Missoula, not just the General Fund. While 2014 delinquencies are within a normal range we feel it germane to the reader to mention the passage of SB96 which reduced 2014 tax receipts for strict personal property. The legislature attempted to make taxing jurisdictions whole by one-time payments. The City of Missoula received a one-time payment of \$327,628 which is reflected in Intergovernmental revenues rather than tax receipts.

**CITY OF MISSOULA, MONTANA
GENERAL OBLIGATION DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE**

The following general obligation debt ratios are provided as of June 30, 2016

Market Valuation	\$	7,303,138,213
Market Valuation (Less Tax Increment)	\$	7,298,840,946
Taxable Valuation	\$	115,855,770
Taxable Valuation (Less Tax Increment)	\$	111,558,503
Population		71,505
Direct Debt Per Capita	\$	267
Direct and Overlapping Debt Per Capita	\$	1,376
Direct Debt to Market Valuation		0.26%
Direct and Overlapping Debt to Market Valuation		1.35%
Direct Debt to Taxable Valuation		16.48%
Direct and Overlapping Debt to Taxable Valuation		84.91%
Market Valuation per Capita	\$	102,135
Taxable Valuation per Capita	\$	1,560

Source: City of Missoula

**SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2016**

	Summary of Direct Debt		
	Gross Debt	Less: Debt Service Funds	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 19,088,500	\$ -	\$ 19,088,500
Debt Supported by General Fund	10,425,660	-	10,425,660
Revenue Debt (Sewer)	20,313,980	(a)	20,313,980
Revenue Debt (TIF and Parking)	31,124,533	(b)	31,124,533
Subtotal of Direct Debt	<u>\$ 80,952,674</u>		<u>\$ 80,952,674</u>

(a) Monies are transferred from the Sewer Enterprise Fund to make the principal and interest payments on these bonds.

(b) Monies from the Missoula Parking Commission and tax increment revenues are used to make principal and interest payments on these bonds.

	Summary of Indirect Debt		
	G.O. Debt as of June 30, 2016	Debt Applicable to Tax Capacity of City Percentage[^]	Amount
Missoula County High School District	\$ 28,870,000	89.68%	\$ 25,890,616
Missoula County Elementary School District	\$ 51,640,000	53.11%	\$ 27,426,004
Hellgate Elementary School District	9,260,000	15.53%	1,438,078
School District No. 20 (Desmet)	110,000	2.61%	2,871
Missoula County	44,106,000	55.60%	24,522,936
Subtotal of Indirect Debt	<u>\$ 133,986,000</u>		<u>\$ 79,280,505</u>

Total of Direct and Indirect Debt \$ 160,233,179

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value	0.26%	1.35%
Per Capita	\$ 267	\$ 1,376

*Includes general obligation debt and debt supported by general fund revenues, excludes revenue supported debt.

[^]The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Local Schools

**CITY OF MISSOULA, MONTANA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)**

	2007	2008	2009	2010	Fiscal Year		2013	2014	2015	2016
					2011	2012				
Debt Limit	\$ 72,541	\$ 79,890	\$ 84,236	\$ 93,949	\$ 99,129	\$ 103,517	\$ 102,767	\$ 107,626	\$ 110,150	\$ 182,578
Total net debt applicable to limit	18,972	17,722	16,426	15,224	13,966	12,661	12,124	11,555	10,178	8,731
Legal debt Margin	\$ 53,569	\$ 62,167	\$ 67,809	\$ 78,725	\$ 85,163	\$ 90,856	\$ 90,643	\$ 96,071	\$ 99,973	\$ 173,847
Total net debt applicable to the limit as a percentage of debt limit	26.15%	22.18%	19.50%	16.20%	14.09%	12.23%	11.80%	10.74%	9.24%	4.78%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	7,303,138.21
Debt Limit 2.5% of Assessed Value (1)	2.50%
General Obligation Debt Limit	182,578
Less: Outstanding General Obligation Debt, June 30, 2016	8,731
Total net debt applicable to limit	173,847
Legal Debt Margin	173,847

(1) Montana Statute (7-7-4201) prescribes a legal debt limit of 2.5% of the total assessed value of taxable property, which was increased in the FY 2007 legislature from 1.51

Source: City of Missoula
Source: Missoula County Assessors Office

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA RATIO OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities			Total Primary Government	Total Personal Per capita Income*	Total Population	Debt as a Percentage of Personal Income	Debt Per Capita	Debt as a Percentage of Market Value
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	Loans Payable	Capital Leases	Sidewalk & Curb Warrants	Revenue Bonds	Capital Leases	Notes Payable						
2007	\$ 18,720,000	\$ 4,760,000	\$ 15,455,681	\$ 252,453	\$ -	\$ 120,923	\$ 16,797,231	-	-	\$ 56,106,288	\$ 34,451	65,826	2.47%	\$ 852	1.76%
2008	17,500,000	5,360,000	15,510,165	222,425	-	120,923	15,818,231	-	-	54,531,744	35,294	66,000	2.34%	826	1.62%
2009	16,235,000	5,130,000	14,030,295	191,309	-	100,248	14,801,231	-	-	50,488,083	35,156	66,295	2.17%	762	1.34%
2010	15,065,000	4,935,000	14,350,241	159,063	1,378,125	-	13,883,485	-	-	49,770,914	35,592	66,500	2.10%	748	1.32%
2011	13,840,000	5,625,000	15,021,055	125,646	1,959,752	-	24,579,098	71,250	-	61,221,801	36,032	67,565	2.51%	906	1.63%
2012	12,570,000	5,285,000	15,322,685	91,014	2,174,849	-	23,600,000	385,660	2,525,270	61,954,479	36,479	68,484	2.48%	905	1.50%
2013	11,465,000	4,935,000	14,189,516	659,267	2,215,466	-	22,051,000	337,080	2,236,246	58,088,575	37,397	69,039	2.25%	841	1.41%
2014	11,020,000	4,575,000	12,738,346	534,747	3,201,445	-	20,857,000	232,296	1,962,919	55,121,753	38,422	69,821	2.05%	789	1.28%
2015	9,750,000	4,210,000	11,394,176	427,513	4,967,415	-	19,631,000	149,281	1,430,114	51,959,499	39,498	71,022	1.85%	732	1.18%
2016	8,395,000	5,100,000	10,693,500	336,190	4,989,470	-	18,799,002	122,115	1,392,863	49,828,141	40,604	71,505	1.72%	697	0.68%

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Montana Department of Labor - Research and Analysis Bureau

*2010 is the most recent data available. Preceding years to 2004-2009 are City estimates.

**CITY OF MISSOULA, MONTANA
RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR
Last Ten Fiscal Years
Amounts expressed in thousands, except population and per capita**

Fiscal Year	General Obligation Bonds*	Total Taxable Assessed Valuation	Percentage of Taxable Value of Property	Estimated Population	Per Capita
2007	\$ 18,720	\$ 93,534	20%	65,826	\$ 284.39
2008	17,500	99,333	18%	66,000	265.15
2009	16,235	103,000	16%	66,295	244.89
2010	15,065	104,408	14%	66,500	226.54
2011	13,840	106,229	13%	67,565	204.84
2012	12,570	107,879	12%	68,484	183.55
2013	11,465	108,167	11%	69,039	166.07
2014	11,020	109,336	10%	69,821	157.83
2015	9,750	108,677	9%	71,022	137.28
2016	8,395	111,559	8%	71,505	117.40

* Presented as net bonded debt (net bonded debt is balance of outstanding debt less restricted funds collected for debt payment). First year presented is FY2012. All other fiscal years is presented as total bonded debt.

Source Restricted Debt: Combining Balance Sheet - Nonmajor Debt Service Funds

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis

**CITY OF MISSOULA, MONTANA
 REVOLVING FUND YEAR-END BALANCES
 REQUIRED CONTINUING DISCLOSURE
 Last Ten Fiscal Years**

Fiscal Year	Revolving Fund Cash Balance	Principal Amount of Bonds	Percentage
2007	\$ 954,148	\$ 15,455,681	6.2%
2008	779,966	15,510,165	5.0%
2009	719,399	14,030,295	5.1%
2010	746,320	14,250,241	5.2%
2011	794,547	15,021,055	5.3%
2012	774,812	15,322,685	5.1%
2013	719,735	14,189,516	5.1%
2014	636,917	12,738,346	5.0%
2015	569,709	11,394,176	5.0%
2016	535,000	10,693,500	5.0%

Source: City of Missoula

**CITY OF MISSOULA, MONTANA
REVOLVING FUND CHANGES IN FUND BALANCE
REQUIRED CONTINUING DISCLOSURE
Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Beginning Balance	\$ 889,718	\$954,148	\$779,966	\$719,399	\$ 764,101	\$ 794,547	\$ 791,209	\$ 735,266	\$ 652,449	\$ 586,596
Disbursements/Transfers	64,430	(174,182)	(60,567)	44,702	30,446	(3,338)	(55,943)	(82,817)	(65,853)	(36,065)
Ending Balance	<u>\$ 954,148</u>	<u>\$779,966</u>	<u>\$719,399</u>	<u>\$764,101</u>	<u>\$ 794,547</u>	<u>\$ 791,209</u>	<u>\$ 735,266</u>	<u>\$ 652,449</u>	<u>\$ 586,596</u>	<u>\$ 550,532</u>
Assets:										
Cash	\$ 928,632	\$776,343	\$702,257	\$746,320	\$ 793,639	\$ 774,812	\$ 719,735	\$ 636,917	\$ 569,709	\$ 535,000
Due from SID Funds	-	-	-	-	-	865	-	-	569,709	-
Other Receivables	222,281	184,856	182,844	167,952	135,548	134,640	119,108	103,577	88,046	72,514
Total Assets	<u>1,150,913</u>	<u>961,200</u>	<u>885,101</u>	<u>914,272</u>	<u>929,187</u>	<u>910,317</u>	<u>838,843</u>	<u>740,494</u>	<u>1,227,463</u>	<u>607,514</u>
Liabilities:										
Interfund Payable	-	-	-	-	-	-	-	-	568,353	-
Deferred Revenue	196,765	181,233	165,702	150,171	134,639	119,108	103,577	88,046	72,514	56,983
Total Liabilities	<u>196,765</u>	<u>181,233</u>	<u>165,702</u>	<u>150,171</u>	<u>134,639</u>	<u>119,108</u>	<u>103,577</u>	<u>88,046</u>	<u>640,867</u>	<u>56,983</u>
Total Fund Balance	<u>\$ 954,148</u>	<u>\$ 779,966</u>	<u>\$ 719,399</u>	<u>\$ 764,101</u>	<u>\$ 794,547</u>	<u>\$ 791,209</u>	<u>\$ 735,266</u>	<u>\$ 652,449</u>	<u>\$ 586,596</u>	<u>\$ 550,531</u>

Source: City of Missoula

**CITY OF MISSOULA, MONTANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

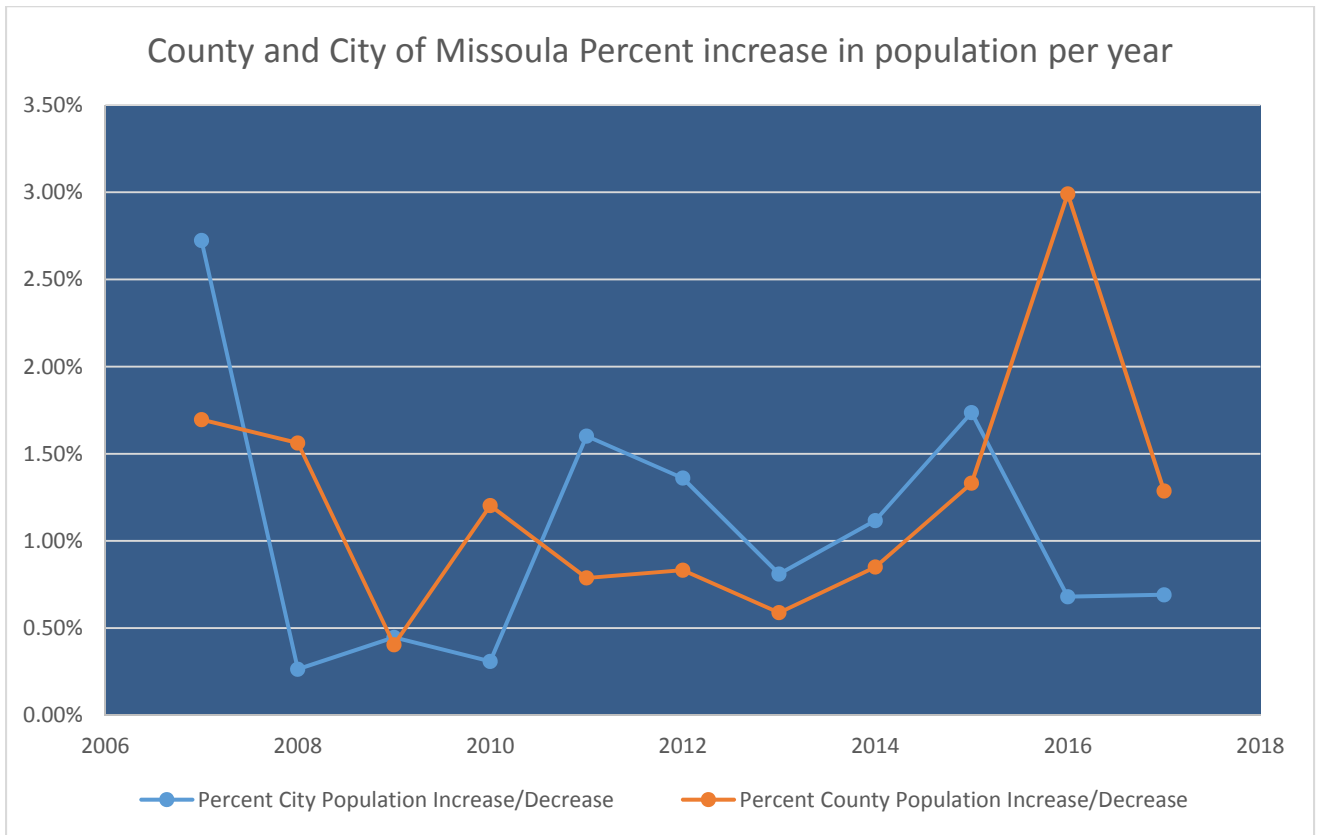
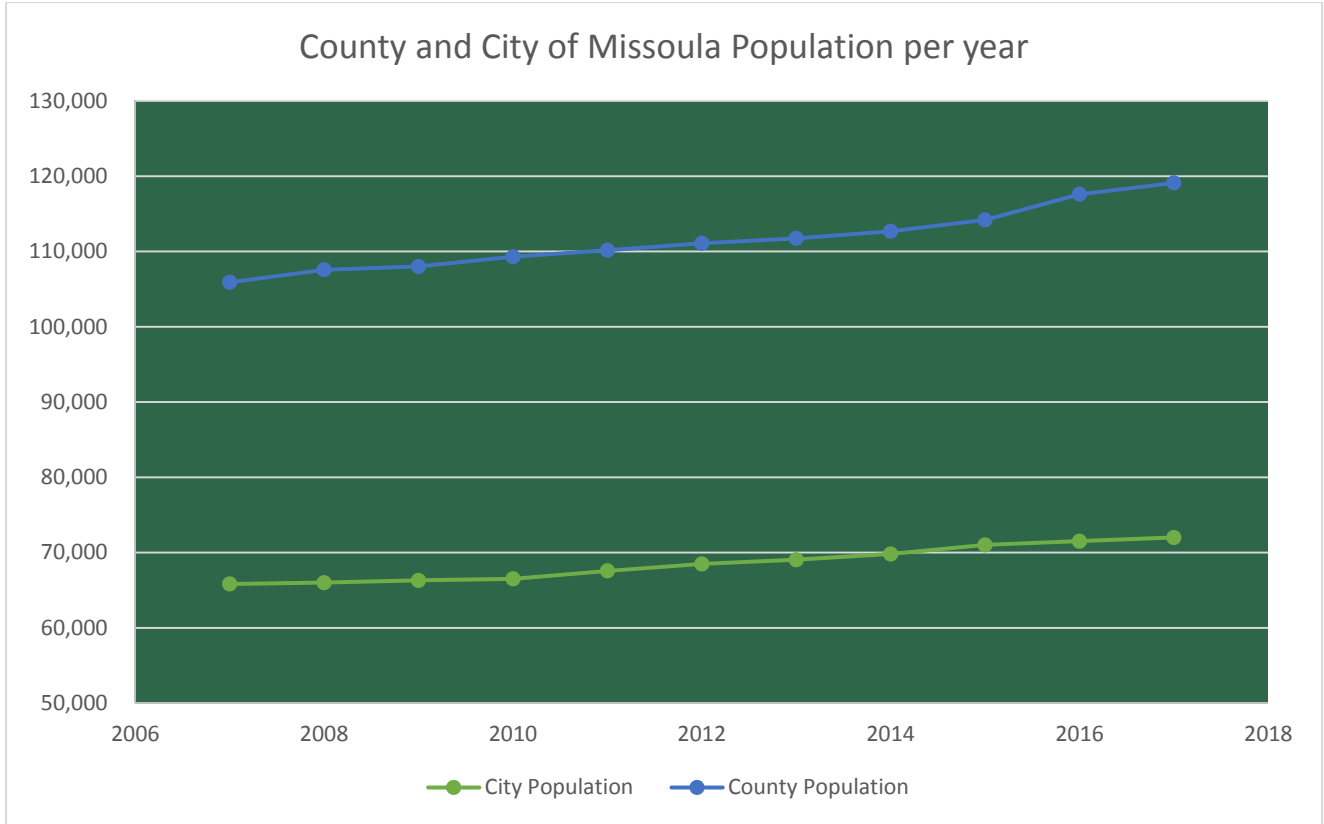
Fiscal Year	Population		Income Statistics		State Unemployment Rate	Missoula County Unemployment Rate
	Estimated City Population	County Population	Total Personal Income (2)	Per Capita Income		
2007	65,826	105,911	\$ 3,646,623	\$ 34,451	3.6%	3.4%
2008	66,000	107,565	3,795,962	35,294	5.1%	5.0%
2009	66,295	108,000	3,818,772	35,156	6.8%	6.3%
2010	66,500	109,299	3,866,079	35,592	7.3%	7.3%
2011	67,565	110,160	3,913,971	36,032	7.0%	6.7%
2012	68,484	111,077	3,962,457	36,479	6.0%	5.9%
2013	69,039	111,731	4,181,210	37,397	5.4%	5.2%
2014	69,821	112,681	4,306,646	38,422	4.7%	4.5%
2015	71,022	114,181	4,435,846	39,498	4.1%	3.8%
2016	71,505	114,957	4,568,921	40,604	4.1%	3.8%

(1) 2010 population is from the US Census Bureau. All other years are estimated.

(2) Only Missoula County information available.

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau

N/A - Not available



**City of Missoula
Climate Demographics
Last 30 years**

Temperature	Missoula (1893-2003)	Kalispell (1899-2003)	Butte (1894-2003)	State of Montana	State of Idaho
Greatest 30 Year Normal Temperature (1971-2000)	44.8	42.6	39.5	-	-
Average Temperature (Jan-Dec)	44.3	43.1	39.9	-	-
Lowest Temperature	-33 (1/26/57)	-38 (1/30/50 - 1/31/50)	-52 (2/9/33)	-70 Rogers Pass (1/20/54)	-60 Island Park Dam (1/18/43)
Highest Temperature	107 (7/6/2007)	105 (8/4/61)	100 (7/22/31)	117 Medicine Lake (7/5/37)	118 Orofino (7/28/34)

Precipitation	Missoula (1893-2003)	Kalispell (1899-2003)	Butte (1894-2003)	State of Montana	State of Idaho
Greatest 30 Year Normal Precipitation (1971-2000)	13.84	17.21	12.78	-	-
Average Precipitation (Jan-Dec)	13.65	16.22	12.97	-	-
Driest Month	Trace August 1967	Trace August 1955	Trace October 1987	-	-
Driest Year	8.16 1931	10.42 1944	6.89 1935	-	-
Greatest 24-hour Precipitation	2.32 inches (11/5/1927)	2.71 inches (6/29/1982)	3.00 inches (06/09/1913)	-	-
Wettest Month	7.38 inches May 1980	6.02 inches July 1983	8.86 inches June 1913	-	-
Wettest Year	21.92 inches 1998	25.23 inches 1996	20.55 inches 1909	-	-
Annual Average Snowfall	44 inches	58.3 inches	61.3 inches	-	-
Greatest 24-hour Snow	27.5 inches (11/30/1893)	20.1 inches (12/27/1911)	30.0 inches (10/10/1911)	-	-
Greatest Monthly Snow	54.1 inches December 1996	55.9 inches December 1936	32.5 inches October 1911	-	-
Greatest Annual Snowfall	106.1 inches 1996	148.8 inches 1996	125.5 inches 1996	-	-
Greatest Snow Depth	27.0 inches (12/29/1996)	61.0 inches (12/30/1996)	27.0 inches (12/29/1996)	-	-

Source: National Weather Service Forecast Office, Missoula, MT

**CITY OF MISSOULA, MONTANA
TOP EMPLOYERS IN CITY OF MISSOULA
Current and Ten Years Ago**

Employer	Type of Product or Service	2016	Percentage of Total City Employment	2007 **	Percentage of Total City Employment
University of Montana	Higher Education	2,897	4.05%	3,208	4.87%
St. Patrick Hospital	Healthcare	1,542	2.16%	1,400	2.13%
Montana Rail Link	Rail Transportation	1,167	1.63%	1,000	1.52%
Missoula County Public Schools	Public Education	1,113	1.56%	1,180	1.79%
Community Medical Center	Healthcare	905	1.27%	1,250	1.90%
Missoula County	Government	852	1.19%	651	0.99%
Us Forest Service	Federal Government	693	0.97%	500-750	0.76-1.14%
AT&T/DirecTV	Service	675	0.94%	*	NA
Wal-Mart	Retail	585	0.82%	500	0.76%
City of Missoula	Government	546	0.76%	*	NA
Washington Corporation				500-750	0.76-1.14%
Southgate Mall				750-1000	1.14-1.52%

^ Some information was in range format for FY2007

* Employers were added after 2007

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau

**CITY OF MISSOULA, MONTANA
CITY SERVICES AND EMPLOYMENT**

<u>Bargaining Unit</u>	<u>Number of Members</u>	<u>Date of Expired Contract</u>
International Association of Firefighters, Local No. 271	89	June 30, 2019
Missoula Police Protective Association	100	June 30, 2019
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept.	9	June 30, 2019
MPEA Chemists	2	June 30, 2019
Parking Commission	7	June 30, 2019
Wastewater Plant Operators	6	
Teamsters Union, Local No. 2	22	June 30, 2019
Operators' Union, Local No. 4000	12	June 30, 2019
Machinists Union, Local No. 88, District No. 86	8	June 30, 2019
Teamsters, Parks and Recreation Seasonal	19	June 30, 2019
Wastewater Operator's Union, Local 400	8	June 30, 2019
International Brotherhood of Electrical Workers	2	June 30, 2019
MEA-MFT	6	June 30, 2018

Note: Basic services provided through City government include Police and Fire protection, Municipal Sewer and Sanitation, Street Maintenance and Construction, Building Inspection, Zoning Enforcement, Public Works, and Parks and Recreation. As of June 30, 2015, the City employed approximately 626 workers, including Seasonal and Intermittent. Of the total City workforce, approximately 46% were members of organized bargaining units. State law requires Montana Cities to bargain collectively with formally recognized bargaining units. The City considers relations with its bargaining groups to be satisfactory.

^ Newly created Union on July 1, 2015. Members were from WW Operators Union Local 400

Source: City of Missoula

**MISSOULA, MONTANA METROPOLITAN AREA
EMPLOYMENT BY MAJOR INDUSTRY TYPE
ANNUAL AVERAGE
Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 (A)
Goods Producing	6,200	6,100	5,500	4,600	4,700	4,400	4,500	4,600	4,900	4,900
Trade, Transportation and Utilities	12,900	12,900	12,100	11,300	11,400	11,600	11,100	11,900	12,300	12,100
Professional and Business Service	5,900	6,200	6,100	6,900	6,900	6,800	7,000	7,000	6,500	6,500
Educational and Health Services	8,300	8,700	8,900	9,200	9,500	9,800	10,000	10,000	10,300	10,500
Healthcare and Social Assistance	7,900	8,200	8,400	8,700	9,000	9,200	9,300	9,400	9,700	9,900
Leisure and Hospitality	7,600	7,900	7,600	7,000	6,900	7,400	7,300	7,700	8,100	8,100
Government	10,400	9,300	8,300	10,300	8,400	10,300	10,500	10,600	10,800	10,800
	<u>59,200</u>	<u>59,300</u>	<u>56,900</u>	<u>58,000</u>	<u>56,800</u>	<u>59,500</u>	<u>59,700</u>	<u>61,200</u>	<u>62,600</u>	<u>62,800</u>

Source: Department of Labor & Industry, Research & Analysis Bureau

(A) Most recent data available through October 2016.
All other years are annual data

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA OPERATING INDICATORS BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Business Licenses Issued	5,290	6,386	5,141	5,947	5,103	5,872	5,585	5,418	4,566	5,821
Amount of SID's Billed	\$ 2,793,604	\$ 2,802,979	\$ 2,759,874	\$ 2,788,949	\$ 2,979,149	\$ 2,806,770	\$ 2,565,463	\$ 2,468,350	\$ 2,277,577	\$ 2,221,810
# Sewer Bills	41,002	41,818	42,323	42,860	43,493	44,495	45,042	45,042	45,448	45,971
Public Safety Activities										
Citations issued	38,468	32,219	31,700	25,136	20,232	20,554	18,139	15,420	14,042	13,442
Orders of Protection issued	417	400	398	277	209	236	203	318	267	351
Attorney's Office - Lawsuits & Claims	47	49	41	26	24	22	32	29	28	35
Attorney - Opened criminal files	3,181	2,708	2,372	2,313	3,029	4,007	4,255	3,955	3,023	3,777
Officers/1,000 population	2	2	2	2	1	2	2	2	2	2
Total sworn officers	102	101	101	100	100	104	106	109	109	109
Police calls for Service	40,515	40,981	41,424	41,373	40,272	41,334	42,302	41,728	45,605	42,791
Total Fire Department Incident Responses*	5,497	5,805	5,850	6,217	5,752	6,131	6,548	6,745	7,140	7,865
Public Works										
Miles of sidewalk installed	9.19	7.00	4.00	6.78	5.42	4.72	5.58	9.19	4.35	3.48
Building Permits Issued	1,613	1,530	1,291	1,306	1,283	1,395	1,485	1,319	1,427	1,515
Construction Value of Bldg permits issued	\$ 89,139,379	\$ 133,165,009	\$ 63,987,567	\$ 54,867,213	\$ 87,790,572	\$ 58,443,007	\$ 68,558,394	\$ 74,177,588	\$ 122,960,429	\$ 117,605,567
Miles of Street	338	312	383	391	413	416	419	422	428	443
Population	65,826	66,000	66,295	66,500	67,565	68,484	69,039	69,821	71,022	71,505

Source: City of Missoula

* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/31/14.

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL GOVERNMENT										
Vehicles	5	7	4	4	4	2	2	2	2	2
Buildings	2	3	3	3	3	4	4	5	5	8
PUBLIC SAFETY ACTIVITIES										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Fire Engines/Trucks/Vehicles/Vans	27	26	26	25	25	31	32	32	33	34
Police Motorcycles	6	6	6	6	6	4	5	5	5	5
Police Patrol Cars/Passenger Vehicles/Other Vehicle	47	58	62	63	63	66	59	63	63	67
PUBLIC WORKS										
Streets (sq. yards)	6,761,248	6,826,850	6,837,927	7,056,869	7,265,469	7,399,746	7,539,539	7,636,873	7,774,642	8,050,257
Curbs (lineal feet)	1,957,574	1,997,728	1,957,574	2,100,819	2,135,361	2,159,796	2,182,153	2,241,246	2,259,480	2,273,980
Sidewalks (sq. feet)	9,830,923	10,015,638	10,232,017	10,599,017	12,699,836	12,824,406	13,345,978	13,588,598	13,703,420	13,795,344
Storm Sewer (lineal feet)	153,275	153,275	157,826	162,158	168,148	172,360	179,388	179,888	180,368	183,538
Sumps	5,160	5,307	5,307	5,385	5,496	5,524	4,183	4,209	5,585	5,617
Signs	54,901	53,768	56,635	57,502	58,369	59,236	60,103	60,970	61,837	62,704
Vehicles	98	107	161	163	165	163	123	123	123	225
Buildings	7	4	4	4	4	4	5	5	5	8
PUBLIC HEALTH ACTIVITIES										
Cemetery & Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles/Tractors/Trucks/Mowers	17	16	14	14	15	17	18	18	18	20
CULTURE AND RECREATION										
Parks	46	51	67	68	69	70	70	70	70	72
Trails	18	20	22							
Commuter	N/A	N/A	N/A	22	22	23	23	23	23	44
Recreational	N/A	N/A	N/A	55	55	56	56	56	56	58
Park Shelter/Band Shells/Pavilions	10	10	10	12	15	17	18	18	18	24
Buildings	20	23	23	23	23	23	23	23	23	23
Vehicles (Including trailers)	57	55	58	59	59	59	108	112	112	115
HOUSING & COMMUNITY DEVELOPMENT										
Vehicles	10	10	1	1	1	1	1	1	1	1
Buildings	2	2	-	-	-	-	-	-	-	-

Capital Asset Statistics by Function information prior to 2007 is not readily available in this format.

Source: City of Missoula Fixed Asset Accounting Module
Source: Various City of Missoula Departments

**CITY OF MISSOULA, MONTANA
SPECIAL ASSESSMENTS BILLED AND COLLECTED
Last Ten Fiscal Years**

Fiscal Year	Assessments Billed	Current Assessments Paid	Percent Collected	Delinquent Assessments Paid	Total Assessments Paid	Penalty and Interest Paid
2007	\$ 2,793,604	\$ 3,695,269	132.28%	\$ 106,930	\$ 3,802,199	\$ 11,629
2008	2,802,979	2,690,299	95.98%	107,817	2,798,116	11,653
2009	2,759,874	2,666,875	96.63%	109,340	2,776,215	11,539
2010	2,788,949	2,796,909	100.29%	136,607	2,933,516	14,999
2011	2,979,149	2,818,935	94.62%	159,941	2,978,876	18,139
2012	2,806,770	2,760,131	98.34%	160,377	2,920,508	16,070
2013	2,565,463	2,549,864	99.39%	51,388	2,601,252	8,058
2014	2,468,350	2,464,285	99.84%	19,211	2,483,496	11,121
2015	2,277,577	2,308,308	101.35%	8,655	2,316,963	8,359
2016	2,221,810	2,185,888	98.38%	5,286	2,191,174	4,989

Note: Property tax levies are set in August at the time the City budget is approved and billed November 1 by the County. Half of the taxes are due by November 30 and the other half by May 31. After those dates, the bills are delinquent (and a lien is placed on the property). The interest charged on delinquent taxes is one percent per month, with a two percent penalty.

Source: City of Missoula

**CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICT 512, 521 AND 522
REQUIRED CONTINUING DISCLOSURE**

Fiscal Year	Combined Market Value of All Districts	Average Ratio of Market Value to Assessments of Individual Parcels	Highest Ratio of Market Value to Assessments of Individual Parcels	Lowest Ratio of Market Value to Assessments of Individual Parcels	Median Ratio of Market Value to Assessments of Individual Parcels
2006	\$ 158,701,080	\$ 758	\$ 10,797	\$ 6	\$ 221
2007	191,613,295	1,219.98	13,841.43	6.35	221.37
2008	211,405,977	317.09	4,977.27	5.04	141.94
2009	234,349,048	954.97	6,111.87	20.47	160.49
2010	236,039,170	1,071.95	30,710.27	22.07	247.40
2011	215,320,296	1,296.29	51,474.37	40.46	823.26
2012	296,665,021	1,601.54	60,391.92	47.21	957.42
2013	343,465,684	43.42	43.42	43.42	43.42
2014	212,236,360	6,153.16	233,364.95	81.73	3,711.41
2015	275,246,631	7,937.62	244,392.70	10.65	5,041.41
2016	281,879,837	9,735.44	483,578.62	11.17	5,335.03

Source: City of Missoula and Missoula County Assessor's Office

**CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICTS
Current as of June 30, 2016**

SID Number	Combined Market Value of All Districts	Average Ratio of Market Value to Assessments of Individual Parcels	Highest Ratio of Market Value to Assessments of Individual Parcels	Lowest Ratio of Market Value to Assessments of Individual Parcels	Median Ratio of Market Value to Assessments of Individual Parcels
FY11 Total ^	\$ 2,698,949,941	\$ 1,042.61	\$ 42,350.68	\$ 0.03	\$ 341.14
FY12 Total	3,105,150,944	893.51	26,719.49	1.76	429.81
FY13 Total	3,365,098,815	352.35	40,261.28	4.87	110.58
FY14 Total	1,497,286,124	1,737.80	233,364.95	0.22	442.92
FY15 Total	2,373,479,490	2,861.51	244,392.70	0.17	795.46
512/521/522	281,879,837	9,735.44	483,578.62	11.17	5,335.03
0520	90,970,028	932.49	6,038.46	157.19	775.23
0524*					
0525*					
0526*					
0532*					
0533*					
0534*					
0536*					
0540*					
0541*					
0543*					
0544*					
0545*					
0546*					
0548*					
CS08*					
CS09*					
CS10*					
CS12*					
CS13*					
CS15*					
CS344*					
CS345*					
CS346*					
FY16 Total*	\$ 372,849,865	\$ 5,333.97	\$ 483,578.62	\$ 11.17	\$ 3,055.13

Source: City of Missoula and Missoula County Assessor's Office

^ First year to disclose information for all City SID's is FY 2011

*Not all info available at time of budget publication. See FY2016 CAFR

**CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION RATES AND FEES
Last Ten Fiscal Years**

Fiscal Year	On-Street Hourly Parking	Garage Hourly Parking	Parking Garage Lease Space Range	Off-Street Lease Space Range	Average Off-Street and Garage Lease Rate
2007	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
2008	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
2009	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
2010	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
2011	0.50	1.00	65.00 TO 75.00	35.00 TO 55.00	49.00
2012	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	51.00
2013	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	51.00
2014	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	53.00
2015	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	53.00
2016*	0.50 - 4.00	1.00	65.00 TO 75.00	30.00 TO 55.00	56.25

Source: Missoula Parking Commission

* First year of new LUKE on street parking meter machines

**CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION OPERATIONS AND FACILITIES
Last Ten Fiscal Years**

Fiscal Year	Parking Meters	Leased Parking Spaces	Parking Lots Throughout Downtown Missoula	Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue	Percentage of Parking Meter Revenue	Percentage of Garage Parking Revenue	Percentage of Leased Parking Revenue other than Parking Garage	Percentage of Other Revenue
2007	1,075	801	13	257	1,124	20%	34%	14%	27%	4%
2008	1,075	801	13	257	1,592	18%	31%	16%	21%	14%
2009	1,129	800	12	257	1,011	19%	35%	16%	21%	10%
2010	1,061	800	12	257	1,166	18%	37%	18%	23%	4%
2011	1,061	800	12	257	1,198	18%	37%	18%	23%	4%
2012	1,015	855	12	257	1,012	17%	38%	14%	29%	3%
2013	1,015	890	12	460	1,025	16%	34%	16%	32%	1%
2014	1,015	1,133	12	522	870	14%	33%	19%	31%	1%
2015	1,061	1,275	15	523	918	12%	38%	21%	27%	3%
2016*	134	1,226	15	529	821	8%	39%	25%	24%	4%

Source: Missoula Parking Commission

* FY2016 first year of LUKE on street parking meter machines

**CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
HISTORICAL VALUE OF TAX INCREMENT DISTRICTS
For the Last Ten Fiscal Years**

Urban Renewal District II (1-1C, 4-1C)

Fiscal Year	Personal Property		Total Taxable Value
	Personal Attached Taxable Value	(Unattached) Taxable Value	
2006	\$ 2,444,439	\$ 197,268	\$ 2,641,707
2007	2,660,473	311,261	\$ 2,971,734
2008	2,718,817	342,487	\$ 3,061,304
2009	3,162,083	358,422	\$ 3,520,505
2010	3,302,146	318,269	\$ 3,620,415
2011	3,415,110	336,897	\$ 3,752,007
2012	3,371,473	309,233	\$ 3,680,706
2013	3,379,411	262,535	\$ 3,641,946
2014	3,436,681	249,282	\$ 3,685,963
2015	3,586,154	216,449	\$ 3,802,603

Urban Renewal District III (1-1D)

Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
	2006	\$ 6,991,926	
2007	7,111,962	586,632	\$ 7,698,594
2008	7,306,424	406,379	\$ 7,712,803
2009	8,468,861	468,589	\$ 8,937,450
2010	9,027,375	514,481	\$ 9,541,856
2011	8,939,540	568,590	\$ 9,508,130
2012	9,118,547	552,532	\$ 9,671,079
2013	8,797,853	381,195	\$ 9,179,048
2014	8,964,779	393,662	\$ 9,358,441
2015	8,293,647	177,106	\$ 8,470,753

Front Street URD (1-1F)

Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
	2009 *	\$ 1,362,450	
2010	1,571,488	50,604	\$ 1,622,092
2011	2,105,933	124,059	\$ 2,229,992
2012	1,908,040	121,154	\$ 2,029,194
2013	1,903,163	83,983	\$ 1,987,146
2014	1,885,618	78,619	\$ 1,964,237
2015	1,911,595	38,792	\$ 1,950,387

Riverfront Triangle URD

Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
	2010 ^	\$ 133,871	
2011	153,701	36,236	\$ 189,937
2012	132,286	36,579	\$ 168,865
2013	112,584	279	\$ 112,863
2014	113,735	3,259	\$ 116,994
2015	119,533	1,337	\$ 120,870

* First year data available as district was created in FY 2009

^ First year data available as district was created in FY 2010

First year data available as district was created in FY 2016

CITY OF MISSOULA, MONTANA
 COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
 TAXABLE VALUE OF DISTRICTS COMPARED TO CITY
 For the Last Ten Fiscal Years

Urban Renewal District II				
Fiscal Year	Total City Taxable Value	Total Taxable Value Within District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2008	\$ 103,000,436	\$ 3,061,304	\$ 1,201,481	1.2%
2009	106,334,891	3,520,504	1,392,741	1.3%
2010	107,159,214	3,620,415	1,760,592	1.6%
2011	111,474,037	3,752,007	1,892,184	1.7%
2012	112,993,774	3,680,706	1,820,883	1.6%
2013	112,697,955	3,641,946	1,782,123	1.6%
2014	109,336,360	3,685,963	1,826,140	1.7%
2015	112,624,034	3,802,603	1,942,780	1.7%
2016	115,855,770	3,891,582	2,031,759	1.8%
2017	117,701,984	3,948,513	2,088,690	1.8%

Urban Renewal District III				
Fiscal Year	Total City Taxable Value	Total Taxable Value Within District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2008	\$ 103,000,436	\$ 7,712,803	\$ 708,457	0.7%
2009	106,334,891	8,937,450	1,933,104	1.8%
2010	107,159,214	9,541,856	2,537,510	2.4%
2011	111,474,037	9,508,130	2,503,784	2.2%
2012	112,993,774	9,671,079	2,666,733	2.4%
2013	112,697,955	9,179,048	2,174,702	1.9%
2014	109,336,360	9,358,441	2,355,095	2.2%
2015	112,624,034	8,470,753	1,466,407	1.3%
2016	115,855,770	8,771,049	1,766,703	1.5%
2017	117,701,984	10,131,604	1,958,760	1.7%

Front Street URD				
Fiscal Year	Total City Taxable Value	Total Taxable Value Within District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2009 *	\$ 106,334,891	\$ 1,413,675	\$ 640	0.0%
2010	107,159,214	1,622,092	209,057	0.2%
2011	111,474,037	2,229,992	816,957	0.7%
2012	112,993,774	2,029,197	616,159	0.5%
2013	112,697,955	1,987,146	574,111	0.5%
2014	109,336,360	1,964,237	551,202	0.5%
2015	112,624,034	1,950,387	537,352	0.5%
2016	115,855,770	1,839,099	426,064	0.4%
2017	117,701,984	1,828,962	415,927	0.4%

Riverfront Triangle				
Fiscal Year	Total City Taxable Value	Total Taxable Value Within District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2010 ^	\$ 104,408,018	\$ 133,871	\$ -	0.0%
2011	111,474,037	189,937	32,079	0.0%
2012	112,993,774	168,865	11,007	0.0%
2013	112,697,955	112,863	-	0.0%
2014	109,336,360	116,994	-	0.0%
2015	112,624,034	120,870	-	0.0%
2016	115,855,770	132,883	-	0.0%
2017	117,701,984	112,904	-	0.0%

Hellgate Urban Renewal District #				
Fiscal Year	Total City Taxable Value	Total Taxable Value Within District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2016 #	\$ 115,855,770	\$ 960,528	\$ -	0.0%
2017	117,701,984	985,733	-	0.0%

North Reserve / Scott Street Urban Renewal District #				
Fiscal Year	Total City Taxable Value	Total Taxable Value Within District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2016 #	\$ 115,855,770	\$ 1,563,946	\$ 72,741	0.1%
2017	117,701,984	1,567,859	106,201	0.1%

* First year data available as district was created in FY 2009
 ^ First year data available as district was created in FY 2010
 # First year data available as district was created in FY 2016
 Source: City of Missoula and Missoula County Assessor's Office

**CITY OF MISSOULA, MONTANA
 COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
 TRENDS IN PROPERTY VALUATION IN CITY
 For the Last Ten Fiscal Years**

Fiscal Year	City Appraised Value	City Taxable Value (includes district)	Incremental Taxable Value District II	Incremental Taxable Value District III	Incremental Taxable Value Front Street URD	Incremental Taxable Value Riverfront Triangle URD	Hellgate Urban Renewal District	North Reserve / Scott Street Urban Renewal District	City Taxable Value (without district)
2008	\$ 3,369,424,008	\$ 103,000,436	\$ 1,201,481	\$ 708,457	\$ -	\$ -	\$ -	\$ -	\$ 101,090,498
2009	3,412,313,560	106,334,891	1,392,741	1,933,104	640	-	-	-	103,008,406
2010	3,684,720,974	107,159,214	1,760,592	2,537,510	209,057	-	-	-	102,652,055
2011	3,965,146,053	111,474,037	1,892,184	2,503,784	816,957	32,079	-	-	106,229,033
2012	4,140,685,284	112,993,774	1,820,883	2,666,733	616,159	11,007	-	-	107,878,992
2013	4,110,699,383	112,697,955	1,782,123	2,174,702	574,111	-	-	-	108,167,019
2014	4,305,020,382	114,068,797	1,826,140	2,355,095	551,202	-	-	-	109,336,360
2015	4,406,017,003	112,624,034	1,942,780	1,466,407	537,352	-	-	-	108,677,495
2016	7,303,138,213	115,855,770	2,031,759	1,766,703	426,064	-	-	72,741	111,558,503
2017	7,390,919,522	117,701,984	2,088,690	1,958,760	415,927	-	-	106,201	113,132,406

Source: City of Missoula and Missoula County Assessor's Office

**CITY OF MISSOULA, MONTANA
 MISSOULA REDEVELOPMENT AGENCY
 COMPONENT UNIT TAX INCREMENT REVENUE BOND COVERAGE
 URD II: MILLSITE \$3.6M BONDS**

FISCAL YEAR	PROJECTED PLEDGED TAX INCREMENT	MAXIMUM PROJECTED DEBT	COVERAGE
2008			
With State Entitlement	1,129,477	250,500	451%
Without State Entitlement	845,855	250,500	338%
2009			
With State Entitlement	1,302,970	250,400	520%
Without State Entitlement	1,019,348	250,400	407%
2010			
With State Entitlement	1,369,859	250,400	547%
Without State Entitlement	1,113,237	250,400	445%
2011			
With State Entitlement	1,493,995	250,400	597%
Without State Entitlement	1,210,373	250,400	483%
2012			
With State Entitlement	1,429,000 A	250,400 B	571%
Without State Entitlement	1,173,740	250,400	469%
2013			
With State Entitlement	1,474,944 C	250,400	589%
Without State Entitlement	1,157,656	250,400	462%
2014			
With State Entitlement	1,522,881	676,428 D	225%
Without State Entitlement	1,208,093	676,428	179%
2015			
With State Entitlement	1,668,283 E	676,428	247%
Without State Entitlement	1,225,692	676,428	181%
2016			
With State Entitlement	1,713,113	676,428	253%
Without State Entitlement	1,270,522	676,428	188%
2017			
With State Entitlement	2,274,167	676,428	336%
Without State Entitlement	1,831,576	676,428	271%

- A State Entitlement amount reduced by 10% to \$255,260 by 2011 Legislative action
- B Civic Stadium Note issued February 2012 is subordinate to the Series 2006 bonds so not included in Max. Projected DS. Civic Stadium DS is \$500K Max Annual through FY15.
- C Personal Property Tax Reduction Reimbursement approved by 2011 Legislature under SB372. Annual Reimbursement is \$62,028.
- D Series 2013 \$5.75M Bond issued March 2013 on parity with Series 2006 Bond. Max. Annual DS \$426,028
- E Personal Property Tax Reduction Reimbursement approved by 2013 Legislature under SB96. Annual Reimbursement is \$125,303.

Source: City of Missoula Annual Reports

**CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES IN THE URBAN RENEWAL DISTRICT II
Last Ten Fiscal Years**

	Fiscal Year									
	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17
Taxing Authority	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	25.39	25.44	26.92	26.60	26.28	26.55	26.15	19.23	18.78	18.44
General Countywide School Levy	66.04	67.17	54.71	53.28	51.18	51.46	52.68	50.80	49.00	47.82
Missoula County	86.44	89.27	72.66	72.00	72.24	74.51	75.71	76.98	78.86	79.44
Missoula High school District	48.91	50.33	39.98	38.44	38.76	36.94	36.36	34.99	35.27	39.19
City of Missoula	134.71	141.49	116.33	116.17	118.27	123.75	122.64	118.10	118.70	119.89
Urban Transportation District	9.28	9.45	8.52	8.47	8.97	10.02	10.60	16.47	19.00	18.66
Increment 1-1C *	266.50	270.27	353.75	359.55	372.64	369.31	387.47	419.86	440.51	475.22
Subtotal	<u>643.27</u>	<u>659.42</u>	<u>678.87</u>	<u>680.51</u>	<u>694.34</u>	<u>698.54</u>	<u>717.61</u>	<u>742.43</u>	<u>766.12</u>	<u>804.66</u>
School District 1-1C	92.32	89.20	74.65	72.88	73.61	72.88	75.01	72.29	70.29	83.00
Total levies for property in the District lying within School District 1-1C	735.59	748.62	753.52	753.39	767.95	771.42	792.62	814.72	836.41	887.66
	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17
Taxing Authority	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	20.06	18.77	24.90	22.73	25.87	25.85	26.37	21.37	20.96	18.89
General Countywide School Levy	52.19	49.56	49.44	43.27	50.14	49.71	53.27	56.44	54.68	49.00
Missoula County	68.31	65.86	65.66	58.47	70.77	71.98	76.55	85.54	88.01	81.40
Missoula High school District	38.65	37.13	36.13	31.21	37.97	35.69	36.76	38.88	39.36	40.16
City of Missoula	106.45	104.38	105.12	94.34	115.86	119.55	124.01	131.23	132.48	122.85
Urban Transportation District	7.33	6.97	7.70	6.88	8.79	9.68	10.72	18.31	21.21	19.12
Increment 4-1C *	355.00	402.98	398.69	441.03	384.35	384.05	382.13	378.47	387.52	446.55
Subtotal	<u>653.99</u>	<u>691.65</u>	<u>693.64</u>	<u>703.93</u>	<u>699.75</u>	<u>702.51</u>	<u>715.81</u>	<u>736.24</u>	<u>750.22</u>	<u>783.97</u>
School District 4-1C	64.27	73.61	74.27	66.18	75.98	71.89	74.84	82.45	69.94	68.36
Total levies for property in the District lying within School District	718.26	765.26	767.91	770.11	775.73	774.40	790.65	818.69	820.16	852.33

* Note: Tax Increment districts are not taxing authorities and do not levy taxes, i.e. levy mills. Total incremental taxable value can be viewed as a percentage of total taxable value in a district, from information provided by the Montana Department of Revenue. For purposes of disclosure, this report shows that same percentage broken down as a portion of the total mills levied in the district.

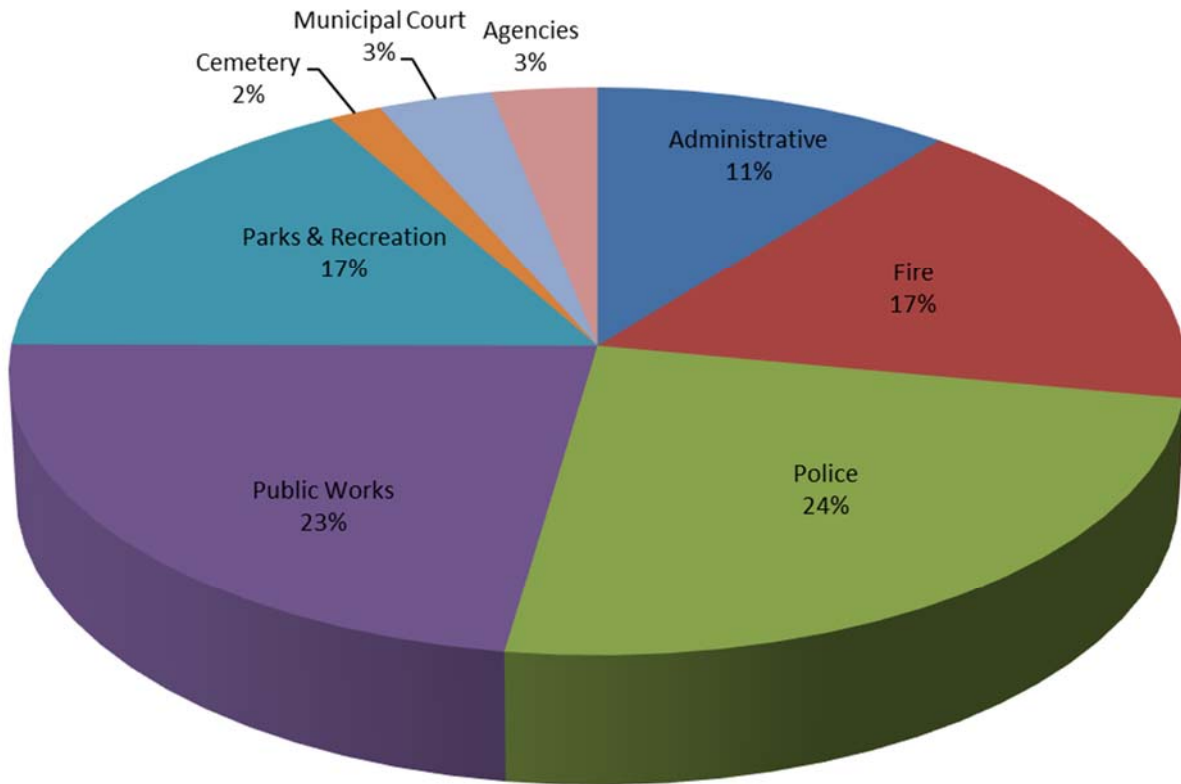
**CITY OF MISSOULA, MONTANA
Urban Renewal District II - Top 10 Taxpayers
Tax Year 2016 (FY17)**

	Taxpayer	Type of Business	2016 Total Tax	2016 Market Value	2016 Taxable Value
1	Montana Apartment LP	Residential	\$ 217,472	\$ 17,132,028	\$ 232,863
2	Mountain Water Co	Water Utility	140,651	10,129,682	157,132
3	Millsite Revitalization Project LLC	Developer	122,151	6,891,865	130,260
4	Spirit Master Funding IX LLC	Grocery Store	120,023	6,600,005	124,741
5	Nutritional Laboratories	Food Supplement Manufacturer	109,210	7,419,513	122,831
6	Blackfoot Telephone Co-op	Co-op Communications	107,710	4,046,583	121,397
7	Good Food Store	Grocery Store	113,255	6,558,583	120,554
8	Missoula Electric Coop	Co-op Electric Utility	80,672	3,054,432	91,633
9	Greg Mario LLC	Unknown	68,036	5,397,800	72,870
10	Like-Nu Auto Services	Automotive Repair	64,865	3,820,364	72,205
		Total	<u>\$ 1,144,045</u>	<u>\$ 71,050,855</u>	<u>\$ 1,246,486</u>

**CITY OF MISSOULA
SCHEDULE OF FTE TRENDS
FY 2013 – 2017**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	<u># FTE</u>	<u># FTE</u>	<u>#FTE</u>	<u>#FTE</u>	<u>Adopted</u>
<i>City Departments</i>					
City Council	12.00	12.00	12.00	12.00	12.00
Mayor's Office	5.00	5.00	5.00	5.00	5.00
Human Resources	4.00	4.00	4.00	4.00	4.00
City Clerk	4.00	4.00	5.00	5.00	5.00
Information Systems	6.00	6.00	6.00	8.00	8.00
Municipal Court	16.75	16.85	17.85	17.85	18.85
Finance/Treasurer	16.00	15.50	15.00	15.00	16.00
Central Services	-	1.50	3.00	3.00	3.00
Development Services	33.71	35.21	23.50	23.75	23.87
Housing & Community Development	-	-	-	-	3.00
GIS	-	3.00	3.00	-	-
City Attorney	15.00	16.00	16.00	16.00	16.00
Public Works - Operations	11.42	8.42	8.42	8.42	8.53
Street Division	28.79	28.79	28.79	28.79	29.50
Facility and Vehicle Maintenance	10.50	11.50	10.50	10.50	11.05
Police Department	122.00	126.00	130.00	132.00	134.51
Fire Department	95.00	95.00	95.00	95.00	95.00
City Cemetery	8.92	8.92	8.92	8.92	8.91
Parks and Recreation	57.74	55.80	57.00	57.59	59.60
Total General	446.83	453.49	448.98	450.82	461.82
General Fund % Increase	7.24%	1.49%	-0.99%	0.41%	2.44%
<i>General Fund Special & Special Revenue Funds</i>					
Fort Missoula Regional Park	-	-	-	-	1.75
Planning	-	-	4.50	4.50	4.50
Building Division	9.00	10.99	11.10	12.00	11.88
Road District 1	0.25	0.25	0.25	0.75	2.66
Parks District 1	1.20	1.20	1.98	2.73	7.22
Transportation	-	-	8.40	9.57	9.67
Total Special District	10.45	12.44	26.23	29.55	37.68
<i>Enterprise Funds</i>					
Aquatics	26.81	26.81	25.45	23.88	23.77
MRA	6.00	6.00	6.00	6.00	6.00
Wastewater	21.50	22.50	22.50	24.00	24.00
Parking Commission	11.50	11.50	11.50	11.50	11.50
Total Enterprise	65.81	66.81	65.45	65.38	65.27
Non-General Fund % Increase	2.17%	3.92%	15.68%	3.54%	8.45%
Total for City Departments	523.09	532.74	540.66	545.75	564.77

City FTE Count by Function - FY2017



GLOSSARY

Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Appropriation – An authorization made by the City Council which permits the City to incur obligations to make expenditures for specific purposes.

Assessed Valuation - A value that is established for real and personal property for use as a basis for levying property taxes.

Asset - Resources owned or held by a government which have monetary value.

Available (Undesignated) Fund Balance - Refers to the funds remaining from the prior years which are available for appropriation and expenditure in the current year.

Balanced Budget – The city will maintain a balanced budget. This means that:

- Operating revenues must fully cover operating expenditures, including debt service.
- Ending fund balance (or working capital in proprietary funds) must meet minimum policy levels.
- Under this policy, it is allowable for total expenditures to exceed revenues in a given year as long as the projected ending fund balance meets minimum policy levels.

Base Budget Allowances – Funding for ongoing expenditures for personnel, commodities, contractual services and replacement of existing equipment previously authorized. The base budget allowance provides funding to continue previously authorized services and programs.

Bonds – A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation, revenue bonds, and special improvement district bonds. These are most frequently used to finance capital projects.

Bond Rating – An evaluation of a bond issuer's credit quality and perceived ability to pay the principal and interest on time and in full.

Bond Refinancing - The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget – A plan of financial operation for a specific time period (City of Missoula's budget is for a fiscal year July 1 - June 30). The budget contains the estimated expenditures needed to continue the county's operations for the fiscal year and revenues anticipated to finance them.

Budget Calendar - The schedule of key dates or milestones which the City follows in the preparation, adoption, and administration of the budget.

Budget Message - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and recommendations regarding the financial policy for the upcoming period.

Budgetary Basis - This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, and Modified Accrual.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Capital Budget – See Capital Improvement Program

Capital Expenditures – The item has a unit cost over \$5,000, it benefits future periods, it has a normal useful life of 1 year or more, it has an identity that does not change with use (i.e., retains its identity throughout its useful life), and it is identifiable and can be separately accounted for. Improvements to existing assets must add value and life to be included in the value of any Capital item.

Capital Improvements - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvement Program (CIP) – A plan for capital expenditures needed to maintain, replace and expand the City's heavy equipment and public infrastructure (for example, streets, parks, buildings, etc). The CIP projects these capital equipment and infrastructure needs for a set number of years (normally 5) and is updated annually to reflect the latest priorities, cost

GLOSSARY

estimates or changing financial strategies. The first year of the adopted Capital Improvement Program becomes the Annual Capital Budget.

Capital Outlay – Items that cost more than \$5,000 and have a useful life of more than one year.

Capital Project – New facility, technology system, land acquisition or equipment acquisition, or improvements to existing facilities beyond routine maintenance. Capital projects are included in the Capital Improvement Program and become fixed assets.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

CDBG – Community Development Block Grant.

CIP – See Capital Improvement Program

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services – Expenditures for services performed by firms, individuals or other city departments.

Debt Ratios - Ratios which provide a method of assessing debt load and the ability to repay debt which plays a part in the determination of credit ratings. They are also used to evaluate the City's debt position over time and against its own standards and policies.

Debt Service – Payment of principal and interest on an obligation resulting from the issuance of bonds.

Debt Service Fund - Debt Service Funds are set up to receive dedicated revenues used to make principal and interest payments on City debt. They are used to account for the accumulation of resources for, and the payment of, general obligation and special assessment debt principal, interest and related costs.

Debt Service Fund Requirements - The amounts of revenue which must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

Deficit -The excess of an entity's liabilities over its assets or the excess of expenditures over revenues during a single accounting period.

Department - A major administrative division of the City which indicates overall management

responsibility for an operation or a group of related operations within a functional area.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division - A group of homogeneous cost centers within a department, i.e. Administration, Engineering, Signing & Striping, Traffic Sign Maintenance, Communications Maintenance, Street Lighting, Bike-Ped Program and Weed Cutting all make up the Engineering Division within the Public Works Department.

Enterprise Funds – Funds that are accounted for in a manner similar to a private business. Enterprise funds usually recover their costs (including depreciation) through user fees. The City has one such self-supporting fund in its primary governmental reporting unit: Wastewater Treatment Fund.

Estimate – The most recent prediction of current year revenue and expenditures. Estimates are based upon many months of actual expenditure and revenue information and are prepared to consider the impact of unanticipated costs or other economic changes.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FTE – See Full-Time Equivalent

Full Faith and Credit - A pledge of a government's taxing power to repay debt obligations.

Full-Time Equivalent (FTE) – A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time clerk working for 20 hours per week would be equivalent to one-half of a full-time position or 0.5 FTE.

Fund – An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities and fund

GLOSSARY

balance, which record all financial transactions for specific activities of government functions.

Fund Balance – As used in the budget, the excess of resources over expenditures. The beginning fund balance is the residual funds brought forward from the previous fiscal year.

GAAP – See Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

General Fund - accounts for all financial resources except those required to be accounted for in another fund. The General Fund is the City's primary operating fund.

General Obligation Bonds (G.O. Bonds) – Bonds that require voter approval and finance a variety of public capital projects such as roads, buildings, parks and improvements. The bonds are backed by the “full faith and credit” of the issuing government.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

G. O. Bonds – See General Obligation Bonds

Governmental Funds - are those through which most governmental functions of the city are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds.

Grant – A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (e.g., public safety or drug enforcement, but it is sometimes for general purposes).

Infrastructure – Facilities that support the daily life and growth of the city, for example, streets, public buildings, wastewater treatment and parks.

Improvement Districts – Special assessment districts formed by property owners who desire and are willing to pay for mutually enjoyed improvements such as roads or maintenance districts.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Levy – See Tax Levy

Line-Item Budget - A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Mandate – Legislation passed by the state or federal government requiring action or provision of services and/or programs. Examples include the Americans with Disabilities Act, which requires actions such as physical facility improvements and provision of specialized transportation services.

NVRA – National Voter Registration Act.

Objective – A desired output-oriented accomplishment that can be measured and achieved within a given time frame, and advances the activity and organization toward a corresponding goal.

Operating Budget - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel; supplies, utilities, materials, travel, and fuel.

Operating Funds – Resources derived from continuing revenue sources used to finance ongoing operating expenditures and “pay-as-you-go” capital projects.

Ordinance – A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the city.

Outstanding Bonds – Bonds not yet retired through principal and interest payments.

Overlapping Debt - The City's proportionate share of the debt of other local governmental units which either overlap it or underlie it. The debt is generally apportioned based on relative assessed value.

Pay-As-You-Go Capital Projects – Capital projects whose funding comes from day-to-day City operating revenue sources.

Performance Budget - A budget that focuses upon departmental goals and objectives rather than line items, programs, or funds. Workload and unit cost data are collected in order to assess the effectiveness and efficiency of services.

GLOSSARY

Personal Services – All costs related to compensating City employees including employee benefits costs such as contributions for retirement, social security, and health and workers' compensation insurance. It also includes fees paid to elected officials, jurors, and election judges and clerks. It does not include fees for professional or other services.

PILT - Payment in Lieu of Taxes from another government or non-profit entity.

Program Budget - A budget that focuses upon broad functions or activities of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure.

Property Tax – A levy upon each \$100 of assessed valuation of property within the City of Missoula.

Resolution - A special or temporary order of a legislative body (City Council) requiring less legal formality than an ordinance or statute.

Resources – Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.

Restricted Funds – See Special Revenue Fund.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue Bonds – Bonds usually sold for constructing a project that will produce revenue for the government. That revenue is pledged to pay the principal and interest of the bond.

Risk Management - An organized attempt to protect a government's assets against accidental loss in the most economical method.

Salary Savings – Budget savings realized through normal employee turnover.

Special Revenue Fund – A fund used to account for receipts from revenue sources that have been earmarked for specific activities and

related expenditures. Examples include funds such as Cemetery Perpetual Care, Drug Forfeiture and Law Enforcement Block Grant .

State-Shared Revenues – Revenues levied and collected by the state but shared with local governments as determined by state government each year. Entitlement funds received by the City from the state is the largest of such shared revenues.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fees or User Charges – A fee paid for a public service or use of a public facility by the individual or organization benefiting from the service.

Workload Indicator - A unit of work to be done (e.g., number of permit applications received or the number of burglaries to be investigated).



Greenough Runners -Photo courtesy of Missoula Parks & Recreation

